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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, 2016
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
(416) 947-1212
(Address and telephone number of Registrant's principal executive offices)

Davies Ward Phillips & Vineberg LLP
900 Third Avenue, 24th Floor, New York, New York 10022
Attention: Scott D. Fisher
(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.

225,465,654 Common Shares as of December 31, 2016

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 o No o

EXPLANATORY NOTE

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

FORWARD-LOOKING INFORMATION

This Annual Report on Form 40-F and the exhibits attached hereto (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 2017 and future periods;
- statements regarding future earnings, and the sensitivity of earnings to gold and other metal prices;
- anticipated levels or trends for prices of gold and by-product metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;
- estimates of future mineral production and sales;
- estimates of future costs, including mining costs, total cash costs per ounce, all-in sustaining costs per ounce, minesite costs per tonne and other costs;
- estimates of future capital expenditures, exploration expenditures and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;
- estimates of mineral reserves, mineral resources, ore grades and mineral recoveries and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events at the Company's mines, mine development projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulations, including with respect to climate change, and estimates of the impact on the Company; 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 Form 40-F are based, and which may prove to be incorrect, include, but are not limited to, the assumptions set out elsewhere in this Form 40-F as well as: that 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, mine development projects and exploration projects proceed on a basis consistent with expectations, and that

Agnico Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, Euro, Mexican peso and the U.S. dollar will be approximately consistent with current levels or as set out in this Form 40-F; that prices for gold, silver, zinc and copper will be consistent with Agnico Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico Eagle's expectations; that production meets expectations; that Agnico Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recoveries are accurate; that there are no material delays in the timing for completion of development projects; and that there are no material variations in the current tax and regulatory environments that affect Agnico Eagle.

The forward-looking statements in 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 89 of the Company's annual information form for the year ended December 31, 2016, which is filed as Exhibit 99.1 to this Form 40-F and incorporated by reference herein (the "AIF"). Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based. This Form 40-F contains information regarding anticipated total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne in respect of the Company or at certain of the Company's mines and mine development projects. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. Investors are cautioned that this information may not be suitable for other purposes.

CURRENCY

Agnico Eagle presents its consolidated financial statements in United States dollars. All dollar amounts in this Form 40-F are stated in United States dollars ("U.S. dollars", "$" or "US$"), except where otherwise indicated. On March 22, 2017, 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$1.3347.

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", "all-in sustaining costs per ounce" "minesite costs per tonne" and "net debt", that are not recognized measures under International Financial Reporting Standards ("IFRS"). These measures may not be comparable to measures 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 IFRS, and for an explanation of how management uses these measures, please see the Company's management's discussion and analysis for the year ended December 31, 2016, which is filed as Exhibit 99.3 to this Form 40-F and incorporated by reference herein (the "Annual MD&A"). The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. However, these non-IFRS measures should be considered together with other data prepared in accordance with IFRS, and these measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS. This Form 40-F also contains information as to estimated future total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne. The estimates of total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne are based upon the total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne that the Company expects to incur to mine gold at its projects and, consistent with the reconciliation provided, 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-IFRS financial measures to the most comparable IFRS measure.

DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of December 31, 2016 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, 2016, 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, 2016. In making this assessment, the Company's management used the criteria set out by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework*. Based upon its assessment, management concluded that, as of December 31, 2016, 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, 2016 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 management's assessment 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.

For a discussion of changes 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 please see page 30 of the Annual MD&A under the heading "Controls Evaluation".

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, Dr. Sean Riley and Mr. Jamie Sokalsky, as described under "Audit Committee — Composition of the Audit Committee" on page 107 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 Mr. Leiderman and Mr. Sokalsky are the Company's "audit committee financial experts" serving on the Audit Committee of the Board. Each of the Audit Committee financial experts is "independent" under applicable listing standards.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Ernst & Young LLP served as the Company's independent public accountant for each of the fiscal years in the two-year period ended December 31, 2016. 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 108 of the AIF. No audit-related fees, tax fees or other non-audit fees were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

For a description of the pre-approval policies and procedures of the Company's Audit Committee, see "Audit Committee — Pre-Approval Policies and Procedures" on page 107 of the AIF.

CODE OF ETHICS

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

OFF-BALANCE SHEET ARRANGEMENTS

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 — Contractual Obligations".

MINE SAFETY DISCLOSURE

Not applicable.

CORPORATE GOVERNANCE

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

UNDERTAKING

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

CONSENT TO SERVICE OF PROCESS

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

INCORPORATION BY REFERENCE

This Form 40-F, which includes the exhibits filed herewith (other than the section of the AIF entitled "Ratings"), is incorporated by reference into the Company's Registration Statements on Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004). Each of the AIF (other than the section entitled "Ratings"), the Annual Financial Statements and the Annual MD&A is incorporated by reference as an exhibit to the Company's Registration Statement on Form F-10 (registration no. 333-206498).

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form of the Company for the year ended December 31, 2016.
99.2	Annual Audited Consolidated Financial Statements of the Company, including the notes thereto, as at December 31, 2016 and 2015 and for each of the years in the three-year period ended December 31, 2016, 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, 2016.
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 Donald Gervais.
99.11	Consent of Sylvie Lampron.
99.12	Consent of Guy Gosselin.
99.13	Consent of Louise Grondin.
99.14	Consent of Carol Plummer.
99.15	Consent of Paul Cousin.
99.16	Consent of Francis Brunet.
99.17	Consent of Dominique Girard.
99.18	Consent of Christian Provencher.

SIGNATURES

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

Toronto, Canada
March 27, 2017

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, 2016

Dated as of March 27, 2017

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 22, 2017, the Noon Buying Rate was US$1.00 equals C$1.3347.

	Year Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
High	1.4589	1.3990	1.1643	1.0697	1.0418
Low	1.2544	1.1728	1.0614	0.9839	0.9710
End of Period	1.3427	1.3840	1.1601	1.0636	0.9949
Average	1.3248	1.2787	1.1045	1.0299	0.9996

	2017		2016				
	March (to March 22)	**February**	**January**	**December**	**November**	**October**	**September**
High	1.3505	1.3248	1.3438	1.3556	1.3582	1.3403	1.3248
Low	1.3316	1.3004	1.3030	1.3120	1.3337	1.3104	1.2843
End of Period	1.3347	1.3248	1.3030	1.3427	1.3426	1.3403	1.3117
Average	1.3406	1.3110	1.3191	1.3329	1.3438	1.3251	1.3109

On December 30, 2016 and March 22, 2017, US$1.00 equaled €1.0541 and €1.0807, respectively, as reported by the European Central Bank.

Forward-Looking Statements

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

- the Company's outlook for 2017 and future periods;
- statements regarding future earnings, and the sensitivity of earnings to gold and other metal prices;
- anticipated levels or trends for prices of gold and by-product metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;
- estimates of future mineral production and sales;

- estimates of future costs, including mining costs, total cash costs per ounce, all-in sustaining costs per ounce, minesite costs per tonne and other costs;
- estimates of future capital expenditures, exploration expenditures and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;
- estimates of mineral reserves and mineral resources and their sensitivities to gold prices and other factors, ore grades and mineral recoveries and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events at the Company's mines, mine development projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulations, including with respect to climate change, and estimates of the impact on the Company; 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 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, mine development projects and exploration projects proceed on a basis consistent with expectations, and that Agnico Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, Euro, Mexican peso and the U.S. dollar will be approximately consistent with current levels or as set out in this AIF; that prices for gold, silver, zinc and copper will be consistent with Agnico Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico Eagle's expectations; that production meets expectations; that Agnico Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recoveries are accurate; that there are no material delays in the timing for completion of development projects; and that there are no material variations in the current tax and regulatory environments that affect Agnico Eagle.

The forward-looking statements in this AIF reflect the Company's views as at the date of this AIF and involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, 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 per ounce and minesite costs per tonne in respect of the Company or at certain of the Company's mines and mine development projects. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. Investors are cautioned that this information may not be suitable for other purposes.

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

Presentation of Financial Information

International Financial Reporting Standards: The Company reports its financial results using International Financial Reporting Standards ("IFRS"). The Company adopted IFRS as its basis of accounting, replacing United States generally accepted accounting principles ("US GAAP") effective July 1, 2014. As a result, Agnico Eagle's consolidated financial statements for 2015 and 2016 are reported in accordance with IFRS, with comparative information for prior periods restated under IFRS and a transition date of January 1, 2013. The Company's transition to IFRS reporting had no significant impact on the design or effectiveness of the Company's internal controls over financial reporting. The Company adopted IFRS as its basis of accounting to maintain comparability with other gold mining companies. Unless otherwise specified, all references to financial results herein are to those calculated under IFRS.

Note to Investors Concerning Estimates of Mineral Reserves and Mineral Resources

The mineral reserve and mineral resource estimates contained in this AIF have been prepared in accordance with the Canadian securities 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 and mineral resource data 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 by-product 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 regulations, 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 discloses certain measures, including "total cash costs per ounce", "all-in sustaining costs per ounce" and "minesite costs per tonne" that are not recognized measures under IFRS. These measures may not be comparable to similar measures reported by other gold producers. For a reconciliation of these measures to the most directly comparable financial information presented in the Annual Financial Statements (as defined below) prepared in accordance with IFRS, and for an explanation of how management uses these measures, please see the Company's management discussion and analysis for the period ended December 31, 2016 (the "Annual MD&A").

The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (before deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, unsold concentrate inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold

produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices.

All-in sustaining costs per ounce is used to show the full cost of gold production from current operations. The Company calculates all-in sustaining costs per ounce of gold produced on a by-product basis as the aggregate of total cash costs per ounce on a by-product basis, sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options) and reclamation expenses, and then dividing by the number of ounces of gold produced. The all-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as the all-in sustaining costs per ounce of gold produced on a by-product basis, except that the total cash costs per ounce on a co-product basis is used, meaning no adjustment is made for by-product metal revenues. The Company's methodology for calculating all-in sustaining costs per ounce may differ from the methodology used by other producers that disclose all-in sustaining costs per ounce. The Company may change the methodology it uses to calculate all-in sustaining costs per ounce in the future, including in response to the adoption of formal industry guidance regarding this measure by the World Gold Council.

Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs per ounce of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS.

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

SELECTED FINANCIAL DATA

The following selected financial data for each of the years in the five-year period ended December 31, 2016 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, 2016, including the notes thereto (the "Annual Financial Statements") and the Annual MD&A.

	Year Ended December 31,				
	2016[1]	**2015[1]**	**2014[1][2]**	**2013[1]**	**2012[3]**
	(in thousands of U.S. dollars, other than share and per share information)				
Income Statement Data					
Revenues from mining operations	2,138,232	1,985,432	1,896,766	1,638,406	1,917,714
Production	1,031,892	995,295	1,004,559	866,082	897,712
Exploration and corporate development	146,978	110,353	56,002	44,236	109,500
Amortization of property, plant and mine development	613,160	608,609	433,628	313,890	271,861
General and administrative	102,781	96,973	118,771	113,809	119,085
Impairment loss on available-for-sale securities	–	12,035	15,763	32,476	12,732
Loss (gain) on derivative financial instruments	(9,468)	19,608	6,156	268	819
Provincial capital tax	–	–	–	–	4,001
Finance costs	74,641	75,228	73,393	62,455	57,887
Other expenses (income)	16,233	12,028	(7,004)	3,396	2,389
Environmental remediation	4,058	2,003	8,214	3,698	–
Impairment (reversal) loss	(120,161)	–	–	1,014,688	–
Gain on sale of available-for-sale securities	(3,500)	(24,600)	(5,635)	(74)	(9,733)
Foreign currency translation (gain) loss	13,157	(4,728)	3,781	1,769	16,320
Income (loss) before income and mining taxes	268,461	82,628	189,138	(818,287)	435,141
Income and mining taxes expense (recovery)	109,637	58,045	106,168	(131,582)	124,225
Net income (loss) for the year	158,824	24,583	82,970	(686,705)	310,916
Net income (loss) per share – basic	0.71	0.11	0.43	(3.97)	1.82
Net income (loss) per share – diluted	0.70	0.11	0.39	(3.97)	1.81
Weighted average number of common shares outstanding – basic	223,736,595	216,167,950	195,222,905	172,892,654	171,250,179
Weighted average number of common shares outstanding – diluted	225,753,589	217,101,431	196,201,626	172,892,654	171,485,615
Cash dividends declared per common share	0.36	0.32	0.32	0.66	1.02
Balance Sheet Data (at end of period)					
Property, plant and mine development	5,106,036	5,088,967	5,155,865	3,694,461	4,067,456
Total assets	7,107,951	6,683,180	6,809,255	4,580,081	5,256,119
Long-term debt	1,072,790	1,118,187	1,322,461	987,356	830,000
Reclamation provision	265,308	276,299	249,917	184,009	101,753
Net assets	4,492,474	4,141,020	4,068,490	2,717,406	3,410,212
Common shares	4,987,694	4,707,940	4,599,788	3,294,007	3,241,922
Shareholders' equity	4,492,474	4,140,020	4,068,490	2,717,406	3,410,212
Total common shares outstanding	224,965,140	217,650,795	214,236,234	173,953,975	172,102,870

(1) Figures reported for 2016, 2015, 2014 and 2013 are presented in accordance with IFRS.

(2) As set out in note 5 of the annual audited consolidated financial statements as of and for the period ended December 31, 2015, certain previously reported December 31, 2014 consolidated balance sheet line items were updated to reflect adjusted final estimates of fair value related to the June 16, 2014 joint acquisition of Osisko Mining Corporation ("Osisko") by the Company and Yamana Gold Inc. ("Yamana").

(3) Figures reported for 2012 have not been restated to conform to IFRS and are presented in accordance with US GAAP.

GLOSSARY OF SELECTED MINING TERMS

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

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

"feasibility study"	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations, together with any other relevant operational factors and a detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.
"felsic"	A term used to describe light-coloured rocks containing feldspar, feldspathoids and silica.
"flotation"	The method of mineral separation in which a froth created by a variety of reagents floats some finely crushed minerals, whereas other minerals sink. The metal-rich flotation concentrate is then skimmed off the surface.
"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.
"horst"	An up-faulted block of rock.
"hydrothermal alteration"	Alteration of rocks or minerals by reaction with hydrothermal (magmatic) fluids.
"igneous rock"	Rock formed by the solidification of molten material that originated within the Earth.
"indicated mineral resource"	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. While this term is recognized and required by Canadian regulations, the SEC does not recognize it. Investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into mineral reserves.

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

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

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

"strike"	The direction, or bearing from true north, of a horizontal line on a vein or rock formation at right angles to the dip.
"stringers"	Mineral veinlets or filaments occurring in a discontinuous subparallel pattern in a host rock.
"sulphide"	A mineral characterized by the linkage of sulphur with a metal, such as pyrite, FeS_2.
"tabular"	Said of a feature having two dimensions that are much larger or longer than the third, such as a dyke.
"tailings"	Material discharged from a mill after the economically and technically recoverable valuable minerals have been extracted.
"tailings dam" or "tailings impoundment" or "tailings pond"	Area closed at the lower end by a constraining wall or dam to which 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 organized under the *Business Corporations Act* (Ontario). The Company was formed by articles of amalgamation under the laws of the Province of Ontario on June 1, 1972, as a result of the amalgamation of Agnico Mines Limited ("Agnico Mines") and Eagle Gold Mines Limited ("Eagle"). Agnico Mines was incorporated under the laws of the Province of Ontario on January 21, 1953 under the name "Cobalt Consolidated Mining Corporation Limited" and changed its name to Agnico Mines Limited on October 25, 1957. Eagle was incorporated under the laws of the Province of Ontario on August 14, 1945.

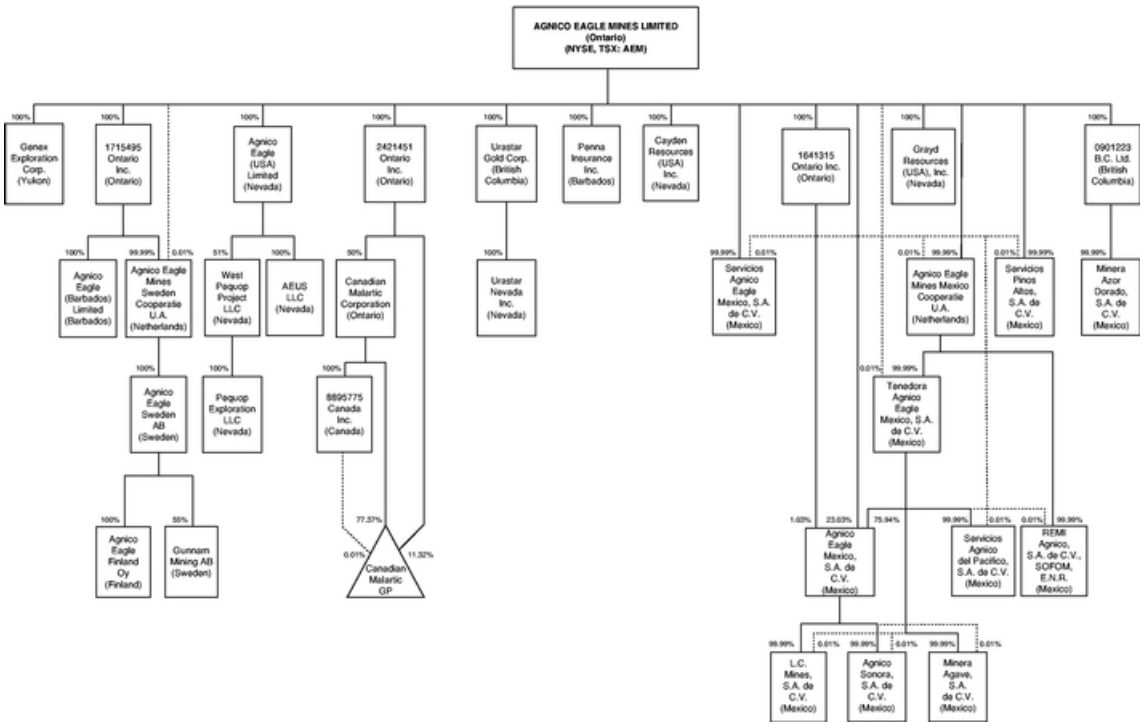
Since 1972, several corporate alterations have taken place. On August 22, 1972, the Company's articles were amended to permit the Company to: (i) borrow money on the credit of the Company, (ii) issue, sell or pledge debt obligations and (iii) charge, mortgage or pledge the Company's property. On June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

On December 31, 1992, the Company amalgamated with Lucky Eagle Mines Limited. On June 30, 1993, the maximum number of directors of the Company was increased from nine to 12. On January 1, 1996, the Company amalgamated with Goldex Mines Limited and 1159885 Ontario Limited. On October 17, 2001, the Company 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 entity to Comaplex Minerals Corp.). On January 1, 2013, the Company amalgamated with 1886120 Ontario Inc. (the successor corporation to 9237-4925 Québec Inc.). On April 26, 2013, Articles of Amendment were filed to eliminate the hyphen between "Agnico" and "Eagle" and the official name of the Company became "Agnico Eagle Mines Limited/Mines Agnico Eagle Limitée".

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

The following chart sets out the corporate structure of the Company, each of its significant subsidiaries and certain other entities, together with the jurisdiction of organization of the Company and each such subsidiary or entity as at March 22, 2017 (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 14.4 million ounces of gold.

The Company's strategy is to deliver high quality growth while maintaining high performance standards in health, safety, environmental matters and social acceptability; build a strong pipeline of projects to drive future production; and employ the best people and motivate them to reach their potential. Over the past eight years, the Company transformed itself from a regionally focused, single mine producer to a multi-mine international gold producer with seven operating, 100% owned mines, one operating 50% owned mine, and the Meliadine advanced development project.

The Company announced on February 15, 2017 that it intends to build mining operations at the Amaruq satellite deposit at Meadowbank and the Meliadine project, both of which are expected to commence mining operations in the third quarter of 2019.

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

	Date of Acquisition[1]	Date of Commencement of Construction	Date of achieving Commercial Production	Estimated Mine Life[2]
LaRonde mine	1992	1985	1988	2024
Lapa mine	June 2003	June 2006	May 2009	2017
Goldex mine[3]	December 1993	July 2012	October 2013	2025
Canadian Malartic mine	June 2014	n/a	May 2011	2026
Kittila mine	November 2005	June 2006	May 2009	2034
Meadowbank mine	April 2007	Pre-April 2007	March 2010	2025
Pinos Altos mine	March 2006	August 2007	November 2009	2023
La India mine	November 2011	September 2012	February 2014	2022

Notes:

(1) Date when 100% ownership was acquired, other than the Canadian Malartic mine, which is the date when 50% ownership was acquired.

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

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

Since 1988, the LaRonde mine, in the Abitibi region of Quebec, has been the Company's flagship operation, producing approximately 5.3 million ounces of gold as well as valuable by-products. The Lapa mine 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 Company's 50% owned Canadian Malartic mine, also in the Abitibi region of Quebec, was acquired in June 2014. The Kittila mine in Finland, has a long reserve life and has significant production expansion potential. The Company's Meadowbank mine, in Nunavut, is expected to produce the most gold (approximately 320,000 ounces) of any of the Company's mines in 2017. The Pinos Altos mine, in Mexico, has significant production expansion potential. 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 2016, the Company produced 1,662,888 ounces of gold at production costs per ounce of gold of $621 and total cash costs per ounce of gold on a by-product basis of $573 and at all-in sustaining costs per ounce of $824 on a by-product basis. For 2017, the Company expects to produce approximately 1,555,000 ounces of gold at total cash costs per ounce

of gold on a by-product basis between $595 and $625 and at all-in sustaining costs per ounce between $850 and $900 on a by-product basis. See "Introductory Notes – Note to Investors Concerning Certain Measures of Performance" for a discussion of the use of the non-GAAP measures total cash costs per ounce and all-in sustaining costs per ounce. The Company has traditionally sold all of its production at the spot price of gold due to its general policy not to sell forward its future gold production.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

2014

As of February 1, 2014, commercial production was achieved at the La India mine.

On June 16, 2014, the Company and Yamana jointly acquired 100% of the outstanding shares of Osisko pursuant to a court-approved plan of arrangement under the *Canada Business Corporations Act* (the "Osisko Arrangement") for consideration of approximately C$3.9 billion, consisting of approximately C$1.0 billion in cash and a combination of common shares of the Company, common shares of Yamana and shares of a new company that was spun-off under the Osisko Arrangement. Osisko was a Canadian based producing gold mining company that was, at the time, listed on the Toronto Stock Exchange (the "TSX"). Osisko was 100% owner of the Canadian Malartic mine in the Abitibi region of Quebec. Under the Osisko Arrangement, each Osisko share was exchanged for: (i) C$2.09 in cash (C$1.045 per share from each of the Company and Yamana); (ii) 0.07264 of a common share of the Company; (iii) 0.26471 of a common share of Yamana; and (iv) 0.1 of one common share of Osisko Gold Royalties Ltd ("New Osisko"), the newly formed spun-off company that commenced trading on the TSX immediately following the Osisko Arrangement.

In connection with the Osisko Arrangement, substantially all of the assets and obligations relating to the Canadian Malartic mine in Quebec were transferred to Canadian Malartic GP (the "Partnership"), a newly formed general partnership in which the Company and Yamana each own an indirect 50% interest. The Company and Yamana formed a joint management committee to operate the Canadian Malartic mine. On June 17, 2014, Osisko and the acquisition corporation formed by the Company and Yamana to acquire Osisko amalgamated to form "Canadian Malartic Corporation" in which Agnico and Yamana each hold an indirect 50% interest. Canadian Malartic Corporation continues to hold, among other things, Osisko's Kirkland Lake, Hammond Reef, Pandora and Wood-Pandora (50% interest) assets and properties. The Company and Yamana are jointly exploring and may potentially develop the Kirkland Lake assets, and continue exploration at the Hammond Reef project and the Pandora and Wood-Pandora properties, in each case through Canadian Malartic Corporation.

Pursuant to the Osisko Arrangement, the following assets of Osisko were transferred to New Osisko: (i) a 5.0% net smelter royalty on the Canadian Malartic mine; (ii) C$157.0 million in cash; (iii) a 2.0% net smelter royalty on the Kirkland Lake assets, the Hammond Reef project, and certain other exploration properties retained by Canadian Malartic Corporation; (iv) all assets and liabilities of Osisko relating to the Guerrero camp in Mexico; and (v) certain other investments and assets.

The Company's and Yamana's relationship with respect to the Canadian Malartic mine is governed by a unanimous shareholders agreement with respect to Canadian Malartic Corporation and a general partnership agreement with respect to the Partnership.

Direct transaction costs totaling C$16.7 million were included in the cost of the investment in Osisko. The Company's share of Osisko's June 16, 2014 purchase price was comprised of 33,923,212 of the Company's common shares issued to former holders of Osisko shares, C$502,059,784.01 in cash and 871,680 of the Company's common shares issued and held by the depositary in respect of unsecured convertible debentures previously issued by Osisko that remained outstanding following the Osisko Arrangement. On June 30, 2015, the negotiated early settlement of all of the outstanding unsecured convertible debentures was completed. As a result of this settlement, 871,680 common shares of the Company with a fair value of approximately $24.8 million were released by the depositary to the debentureholders, along with a cash payment of approximately $10.1 million. Additional cash consideration of $3.2 million was paid to the holders of the convertible debentures upon settlement.

A business acquisition report in respect of the Osisko Arrangement was filed by the Company on the System for Electronic Document Analysis and Retrieval ("SEDAR") on August 22, 2014.

On November 28, 2014, the Company completed its acquisition of all of the issued and outstanding common shares of Cayden Resources Inc. ("Cayden"), a Canadian based gold exploration company that was, at the time, listed on the TSX

Venture Exchange (the "TSX-V"), pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia). Cayden indirectly held a 100% interest, or an option to earn a 100% interest, in certain mining properties in Jalisco and Guerrero, Mexico, including the El Barqueno property. Under the terms of the arrangement, each shareholder of Cayden received 0.09 of a common share of the Company and C$0.01 in cash.

Capital expenditures by the Company in 2014 were $475.4 million. This included $76.6 million at the LaRonde mine, $20.2 million at the Lapa mine, $34.3 million at the Goldex mine, $36.1 million at the Canadian Malartic mine, $106.2 million at the Kittila mine, $48.4 million at the Pinos Altos mine, $10.9 million at the Creston Mascota deposit at Pinos Altos, $22.7 million at the La India mine, $65.9 million at the Meadowbank mine, $48.3 million at the Meliadine project and $5.9 million at other properties. In addition, the Company incurred $25.9 million of expenditures on mine site exploration and $56.0 million on exploration activities at the Company's exploration properties and on corporate development activities.

2015

On February 23, 2015, Agnico Eagle entered into a binding letter of intent (the "LOI") with Canadian Malartic GP, Yamana and Abitibi Royalties Inc. ("Abitibi Royalties") regarding the Malartic CHL prospect which abuts the Canadian Malartic mine and in which Canadian Malartic Corporation held a 70% interest, with the remaining 30% interest held by Abitibi Royalties. On March 19, 2015, Abitibi Royalties sold its 30% interest in the Malartic CHL prospect to Canadian Malartic GP (the "CHL Transaction") in exchange for 459,197 common shares of the Company and 3,549,685 Yamana common shares, with a value of approximately C$35 million (based on the respective closing prices of such shares on the TSX on February 20, 2015, the date immediately prior to the public announcement by Abitibi Royalties of entering into the LOI), and 3% net smelter return royalties to Abitibi Royalties and New Osisko on the prospect. In addition, as part of the CHL Transaction all prior agreements, claims and proceedings relating to the Malartic CHL prospect, including those previously instituted by Abitibi Royalties against Osisko prior to the Company and Yamana completing the Osisko Arrangement, were terminated, settled and released.

Prior to completion of the Osisko Arrangement on June 6, 2014, Clifton Star Resources Inc. ("Clifton") instituted proceedings against Osisko (now Canadian Malartic Corporation) seeking, among other things, an order that Osisko pay Clifton C$22.5 million in damages. In the proceedings, Clifton alleged, among other things, that Osisko was obligated to lend Clifton C$22.5 million on or around December 1, 2012 pursuant to a December 10, 2009 commitment letter and a December 10, 2009 option and joint venture agreement, each between Clifton and Osisko, and that Osisko's failure to advance such loan resulted in damages to Clifton. Clifton further alleged that such loan was intended to be used to make payments under certain option agreements between Clifton and third parties which entitled Clifton to acquire shares of such third parties that owned interests in the concessions comprising the "Duparquet Project". Following the joint acquisition of Osisko by the Company and Yamana on June 16, 2014, the Company and Yamana engaged in discussions with Clifton to advance the settlement of such claims. Effective March 2, 2015, Canadian Malartic Corporation (as the successor to Osisko) entered into a settlement agreement with Clifton, pursuant to which Canadian Malartic Corporation paid Clifton approximately C$5.27 million in consideration for a full and final release of all claims arising from the facts described in the Clifton proceedings. Concurrently, under two separate non-brokered private placements, each of the Company and Yamana subscribed for 4,772,786 common shares of Clifton at a price of C$0.60 per share, for total proceeds to Clifton of approximately C$5.73 million.

On June 9, 2015, the Company completed its acquisition of all of the issued and outstanding common shares of Soltoro Ltd. ("Soltoro"), a Canadian based gold exploration company that was, at the time, listed on the TSX-V, pursuant to a court-approved plan of arrangement under the *Canada Business Corporations Act*. Soltoro indirectly held a 100% interest, or an option to earn a 100% interest, in certain mining properties in Jalisco, Mexico, including the El Rayo property which is contiguous with the Company's El Barqueno property. Under the terms of the arrangement, each shareholder of Soltoro received 0.00793 of a common share of the Company, C$0.01 in cash and one common share of a newly formed Ontario company named Palamina Corp. valued at C$0.02 per share.

On June 11, 2015, the Company acquired from Orex Minerals Inc. ("Orex") 55.0% of the issued and outstanding common shares of Gunnarn Mining AB ("Gunnarn"), which holds the Barsele project in northern Sweden. Consideration for the acquisition was comprised of $6 million paid to Orex at closing and additional payments of $2 million in cash or Agnico Eagle common shares (at the Company's sole discretion) due to Orex on each of the first and second anniversaries of the closing. The Company has also committed to incurring $7.0 million in exploration expenditures associated with the Barsele project by June 11, 2018, and may earn an additional 15.0% interest in Gunnarn if the Company completes a pre-feasibility study related to the Barsele project. The Company holds a majority of the seats on the board of directors of Gunnarn and is the sole operator of the Barsele project.

On September 30, 2015, the Company entered into a note purchase agreement with Ressources Québec Inc., a subsidiary of Investissement Québec, providing for the issuance of $50 million principal amount of 4.15% senior unsecured notes due 2025 (the "2015 Note Purchase Agreement"). The Company agreed to apply an amount equal to or greater than the net proceeds from the issuance of the notes towards the expansion, development, upgrade or maintenance of mining projects in the Province of Québec. For additional details see "Material Contracts – Note Purchase Agreements" below.

Capital expenditures by the Company in 2015 were $449.8 million. This included $67.3 million at the LaRonde mine, $6.5 million at the Lapa mine, $48.8 million at the Goldex mine, $43.4 million at the Canadian Malartic mine, $56.4 million at the Kittila mine, $61.8 million at the Pinos Altos mine, $4.2 million at the Creston Mascota deposit at Pinos Altos, $23.4 million at the La India mine, $65.2 million at the Meadowbank mine, $66.7 million at the Meliadine project and $6.0 million at other properties. In addition, the Company incurred $10.2 million of expenditures on mine site exploration and $100.2 million on exploration activities at the Company's exploration properties and on corporate development activities.

2016

On June 30, 2016, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $100 million 4.54% Series A senior notes due 2023, $200 million 4.84% Series B senior notes due 2026 and $50 million 4.94% Series C senior notes due 2028. For additional details see "Material Contracts – Note Purchase Agreements" below.

The following table sets out the Company's capital expenditures in 2016.

	2016 Capital Expenditures (thousands of $)	
	Sustaining	**Development**
LaRonde	64,288	–
Canadian Malartic	58,174	2,260
Meadowbank	38,248	503
Kittila	62,008	13,896
Goldex	22,030	59,237
Lapa	–	–
Pinos Altos	47,410	12,162
Creston Mascota deposit Pinos Altos	9,287	–
La India	10,021	486
Meliadine	–	130,942
Other	–	4,361
Total Expenditures	**311,466**	**223,847**

2017

The Company announced on February 15, 2017 that it intends to build mining operations at the Amaruq satellite deposit at Meadowbank and the Meliadine project, both of which are expected to commence mining operations in the third quarter of 2019.

The Company is currently marketing notes to institutional investors on a private placement basis and expects to receive bids from prospective purchasers prior to the end of March 2017. At this time, the principal amount of the offering, interest rates and tenor of the notes have not been determined, though the Company currently anticipates that the notes will be issued in tranches with maturities of approximately 8, 10 and 12 years from issuance. All other terms of the notes are expected to be substantially the same as the terms of the existing notes of the Company issued under note purchase agreements in 2010, 2012, 2015 and 2016. See "Material Contracts — Note Purchase Agreements" below. The Company expects that the issuance of the notes would close within the next six months and the proceeds would be used for working capital and general corporate purposes. However, until the Company receives bids from, and enters into a definitive agreement with, investors, there can be no assurance that the offering will be completed.

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

	Estimated 2017 Capital Expenditures (thousands of $)		
	Sustaining	**Development**	**Capitalized Exploration**
LaRonde	67,700	–	1,700
LaRonde Zone 5	–	35,000	400
Canadian Malartic	65,900	1,700	2,300
Meadowbank	20,300	–	–
Amaruq	–	73,100	5,100
Kittila	52,700	24,100	3,200
Goldex	17,000	55,800	3,800
Lapa	–	–	–
Pinos Altos	48,400	5,800	500
Creston Mascota deposit Pinos Altos	5,500	–	–
La India	6,900	–	800
Meliadine	–	355,800	3,900
Other	–	2,000	–
Total Expenditures	**284,400**	**553,300**	**21,700**

Pre-2014

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 is currently 100% owned by Agnico Eagle Finland Oy, which is wholly-owned by Agnico Eagle Sweden AB, an indirect subsidiary of the Company.

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 TSX and American Stock Exchange whose primary asset was the Meadowbank property. In May 2007, the Company acquired approximately 92% of the issued and outstanding shares of Cumberland that it did not previously own and, in July 2007, the Company completed the acquisition of all Cumberland shares by way of a compulsory acquisition. The Company issued 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.

In September 2011, the Company entered into an acquisition agreement with Grayd Resource Corporation ("Grayd"), a Canadian-based natural resource company that was, at the time, listed on the TSX-V, 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.

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

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 (including the Amaruq satellite deposit) and the Meliadine project, each of which is a 100% interest held directly by the Company, and a 50% interest in the Canadian Malartic Mine, which is held indirectly through a wholly-owned subsidiary of the Company and Canadian Malartic Corporation. The Company's operations in Finland are conducted through its indirect subsidiary, Agnico Eagle Finland Oy, which owns the Kittila mine. In 2016, the Northern Business accounted for approximately 79% of the Company's gold production. In 2017, the Company anticipates that the Northern Business will 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 Pinos Altos mine, including the Creston Mascota deposit, is held through its indirect subsidiary, Agnico Eagle Mexico, S.A. de C.V. The La India mine is owned by the Company's indirect subsidiary, Agnico Sonora, S.A. de C.V. In 2016, the Southern Business accounted for approximately 21% of the Company's gold production. In 2017, the Company anticipates that the Southern Business will 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 mineral resources and new development opportunities in politically stable and proven gold producing regions. Current exploration activities are concentrated in Canada, Europe, Latin America and the United States. Several projects were evaluated during 2016 in these regions where the Company believes the potential for gold occurrences is excellent and which the Company believes to be politically stable and supportive of the mining industry. The Company currently manages 79 properties in Canada, four properties in the United States, four groups of properties in Finland, two properties in Sweden and 18 properties in Mexico. Exploration activities are managed from offices in: Val d'Or, Quebec; Reno, Nevada; Chihuahua, Hermosillo and Jalisco, Mexico; Kittila, Finland; Storuman, Sweden; and Vancouver, British Columbia.

Northern Business

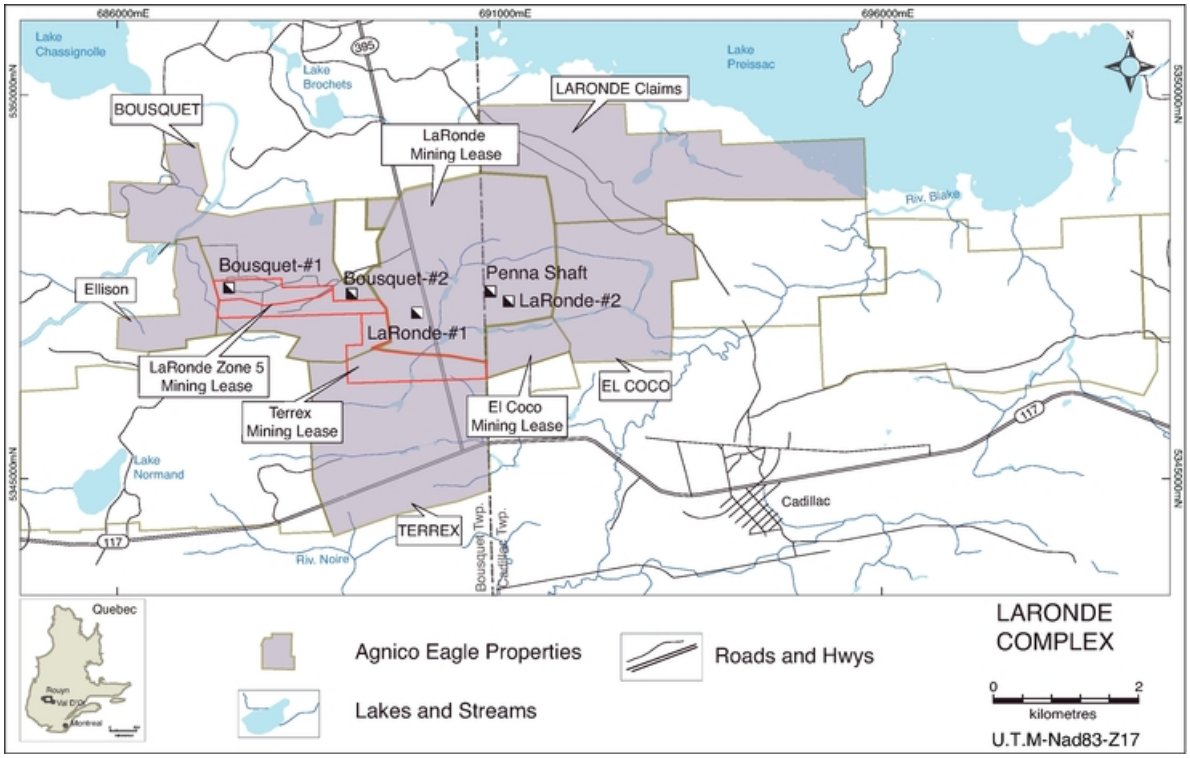
LaRonde Mine

The LaRonde mine is situated approximately halfway between Rouyn-Noranda and Val d'Or in northwestern Quebec (approximately 470 kilometres northwest of Montreal, Quebec) in the municipalities of Preissac and Cadillac. At December 31, 2016, the LaRonde mine was estimated to have proven and probable mineral reserves containing approximately 3.05 million ounces of gold comprised of 17.6 million tonnes of ore grading 5.40 grams per tonne. The 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 Energy and Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Sustainable Development, Environment and the Fight Against Climate Change (Quebec). The LaRonde property consists of 36 contiguous mining claims and one provincial mining lease. The El Coco property consists of 22 contiguous mining claims and one provincial mining lease. The Terrex property consists of 21 mining claims and one provincial mining lease that was acquired in July 2014. The mining leases on the LaRonde, El Coco and Terrex properties expire in 2018, 2021 and 2034, respectively, and are automatically renewable for three further ten-year terms upon payment of a small fee. The Company also has three surface rights leases that relate to the water pipeline right of way from Lake Preissac and the eastern extension of the LaRonde tailings pond #7 on the El Coco property. The surface rights leases are renewable annually.

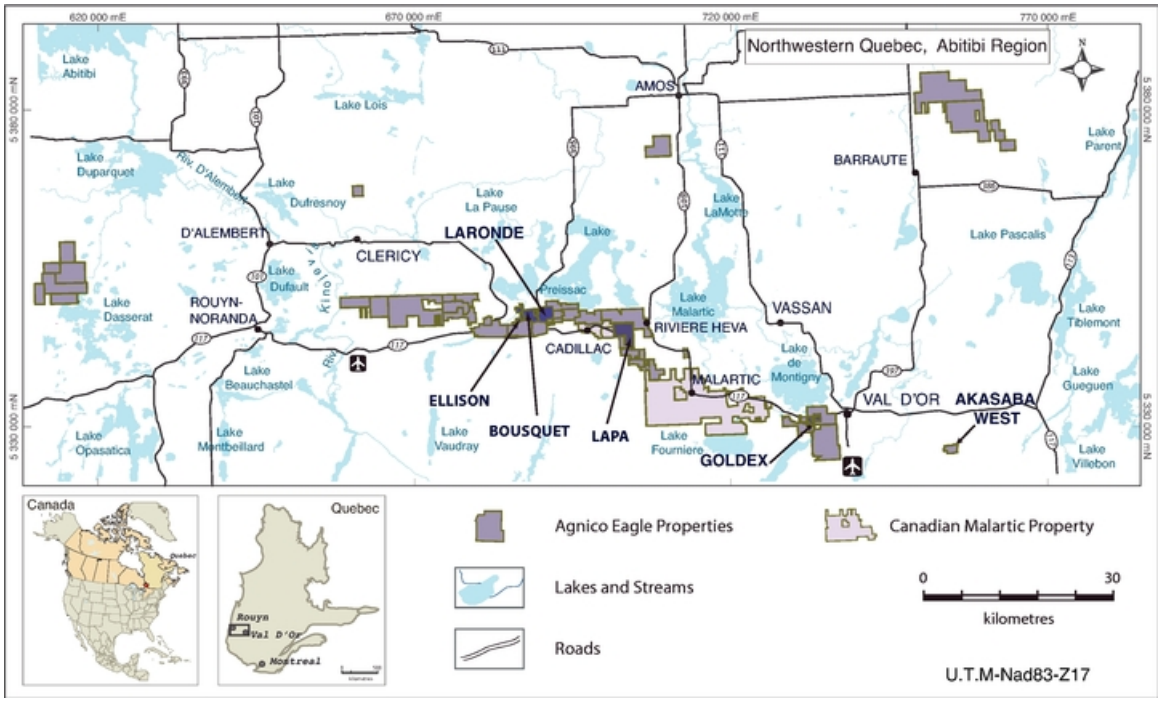
Location Map of the LaRonde Mine (as at December 31, 2016)



The LaRonde mine includes underground operations at the LaRonde and El Coco properties that can both be accessed from the Penna Shaft, a mill, a treatment plant, a secondary crusher building and related facilities. In 2003, exploration work started to extend outside of the LaRonde property onto the Terrex property where a down-plunge extension of Zone 20 North was discovered. The Terrex property is subject to a 5% net profits royalty in favour of Delfer Gold Mines Inc. The Company does not expect to pay royalties in respect of this part of the property in 2017. In addition, the Company owns 100% of the Sphinx property immediately to the east of the El Coco property. In 2016, 86% of the ore processed from the LaRonde mine was extracted from the deeper portion of the LaRonde mine (that is, below Level 245) or the "LaRonde mine extension". In 2017, the Company anticipates that approximately 87% of the ore processed will be from this deeper part of the mine.

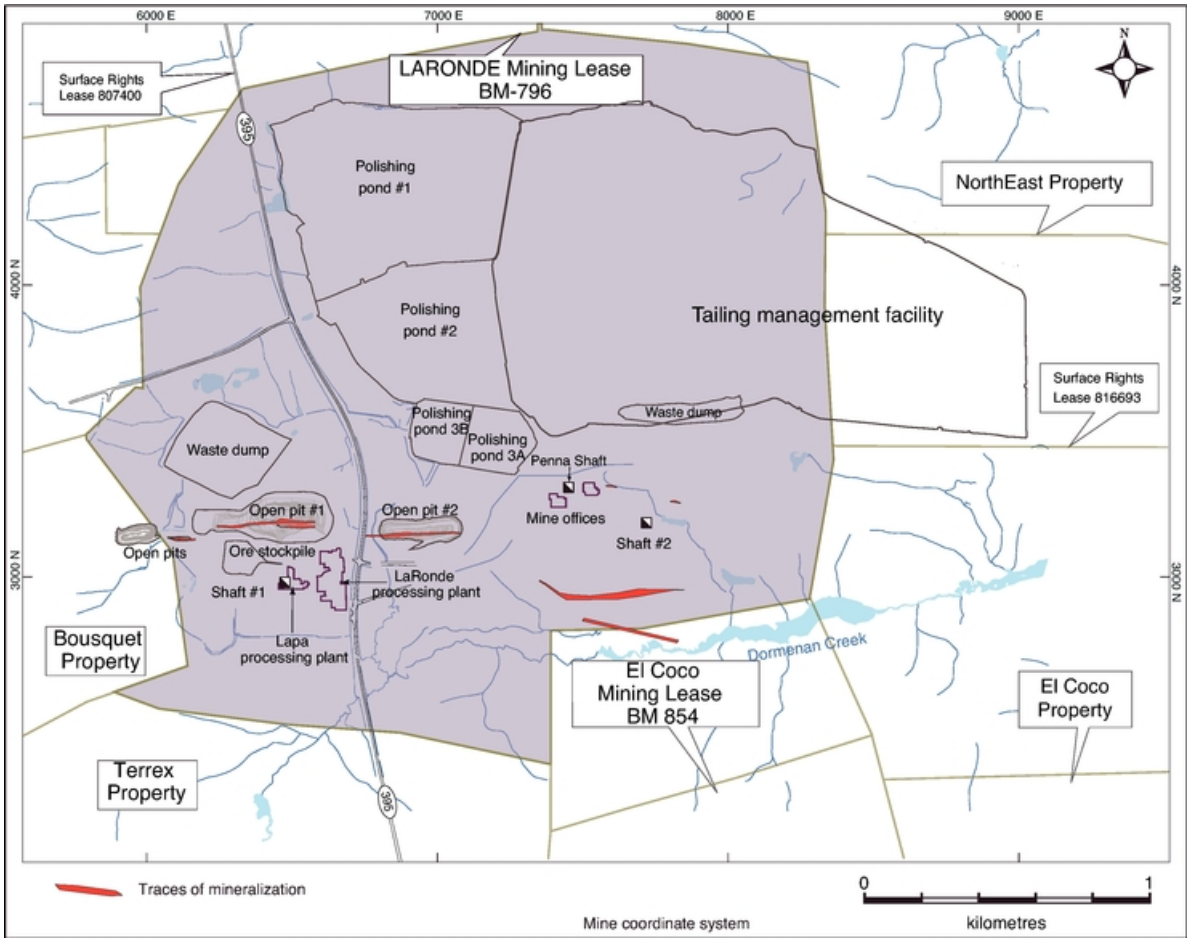
The Company expects future by-product metal production at the LaRonde mine to decline as operations continue to shift towards deeper sections of the mine where gold grades are higher and by-product metals are less prevalent. The associated decrease in by-product revenues is expected to result in higher total cash costs per ounce on a by-product basis attributable to ore extracted from these parts of the mine.

Map of the Abitibi region showing the location of the LaRonde, Lapa, Goldex and Canadian Malartic Mines



Mining and Milling Facilities

Surface Plan of the LaRonde Mine (as at December 31, 2016)



The LaRonde mine was originally developed with a 1,207-metre shaft (Shaft #1) and an underground ramp access system. The ramp access system is available down to Level 25 of Shaft #1 and continues down to Level 299 at the Penna Shaft. The mineral reserve accessible from Shaft #1 was depleted in September 2000 and Shaft #1 is no longer in use. A second production shaft (Shaft #2), located approximately 1.2 kilometres to the east of Shaft #1, was completed in 1994 to a depth of 525 metres and was used to mine Zones 6 and 7. Both ore zones were depleted in March 2000 and the workings were allowed to flood up to Level 6 (approximately 280 metres). A third shaft (the Penna Shaft), located approximately 800 metres to the east of Shaft #1, was completed down to a depth of 2,250 metres in March 2000. The Penna Shaft is used to mine Zones 20 North, 20 South, 6 and 7.

In 2006, the Company initiated construction of the LaRonde mine extension. Hoisting from this deeper part of the LaRonde mine began in the fourth quarter of 2011 and commercial production was achieved in November 2011. Access to the deeper part of the LaRonde mine is provided through a 823-metre internal shaft (Shaft #4) starting from Level 203, for a total depth of 2,858 metres below the surface which was completed in November 2009. A ramp is used to access the lower part of the orebody down to 3,110 metres below the surface. An internal winze system is used to hoist ore from depth to facilities on Level 215, approximately 2,150 metres below the surface, where it is transferred to the Penna Shaft hoist.

Production from the LaRonde mine extension continues to move towards anticipated steady-state levels. Most of the delays encountered during 2016 were related to seismicity, as some areas of the mine were under periodic closure to mitigate seismicity risk. The Company expects the levels of seismicity to continue to evolve and the Company adjusts the mining methods, ground support, protocols and monitoring to adapt to the evolving levels.

In 2016, the development of the western portion of the mine continued to advance and two silos (excavation and construction) were delivered and are currently in commissioning. These silos are expected to increase the flexibility surrounding the coarse ore conveyor system that extends from Level 292 to the crusher on Level 280. In 2017, the Company expects to reach Level 311 in the eastern part of the mine. The Company expects to mine the first stopes in the western portion of the mine in 2017, following the commissioning of the coarse ore conveyor.

Mining Methods

The primary source of ore at the LaRonde mine continues to be from underground mining methods. During 2016, two mining methods were used: longitudinal retreat with paste backfill and transverse open stoping with paste or unconsolidated backfill. In addition, to address concerns regarding the frequency and intensity of seismic events encountered at the lower levels of the LaRonde mine, a hybrid of these two methods has been used. In the underground mine, sublevels are driven at between 30-metre and 40-metre vertical intervals, depending on the depth. Stopes are undercut in 15-metre wide panels. In the longitudinal method, panels are mined in 15-metre sections and backfilled with 100% cemented rock backfill or cemented 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 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 2016 averaged 6,171 tonnes per day, compared with 6,141 tonnes per day in 2015. The increased throughput in 2016 was due to the maturity of the new mining horizon in the deepest portion of the mine.

The Company's operations at the LaRonde mine reach more than three kilometres below the surface. There are very few resources available to model the geomechanical conditions at this depth, where operations are subject to high stress levels. 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 and adjust the mining sequence for its operations at these levels. The Company believes that the experience it has gained mining at those levels has provided a successful model for future mining at depth.

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 polymetallic massive sulphide orebody required several modifications to the processing plant. In 2008, the installation of a limited copper/lead separation flotation circuit, following the copper flotation circuit, was completed. Also in 2008, a cyanidation plant began operation for the treatment of sulphide concentrate from the Goldex mine. A CIL circuit was completed and began operation in April 2013 to replace the existing LaRonde precious metal Merrill-Crowe circuit. The LaRonde mine is also the site for the Lapa mine ore processing plant (1,500 tonnes per day), which 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 CIP 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 addresses the presence of thiocyanate in the tailings ponds at the LaRonde mine. The plant uses bacteria to oxidize and destroy thiocyanate in the water and removes phosphate prior to its release to the environment.

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

The Lapa mine ore processing plant 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 2016, the LaRonde mine had payable production of 305,788 ounces of gold, 987,918 ounces of silver, 4,687 tonnes of zinc and 4,416 tonnes of copper from 2.24 million tonnes of ore grading 4.44 grams of gold per tonne and 17.75 grams of silver per tonne, 0.37% zinc and 0.24% copper. The production costs per ounce of gold produced at

LaRonde in 2016 were $587. The total cash costs per ounce of gold produced at LaRonde in 2016 were $501 on a by-product basis and were $668 on a co-product basis. The LaRonde processing facility averaged 6,137 tonnes of ore per day and operated 92% of available time. Gold and silver recovery averaged 95.60% and 85.39%, respectively. Zinc recovery averaged 66.85% with a concentrate quality of 53.61% zinc. Copper recovery averaged 86.50% with a concentrate quality of 20.01% copper. The production costs per tonne at LaRonde were C$106 and the minesite costs per tonne were C$106 in 2016.

The following table sets out the metal recoveries and concentrate grades at the LaRonde mine in 2016.

		Copper Concentrate (23,350 tonnes produced)		Zinc Concentrate (10,303 tonnes produced)			
	Head Grades	Grade	Recovery	Grade	Recovery	Overall Metal Recoveries	Payable Production
Gold	4.44 g/t	297.90 g/t	69.91%	12.40 g/t	1.29%	95.60%	305,788 oz
Silver	17.75 g/t	816.55 g/t	47.95%	243.37 g/t	6.40%	85.39%	987,918 oz
Copper	0.24%	20.01%	86.50%	–%	–%	86.50%	4,687 t
Zinc	0.37%	0.98%	5.53%	53.61%	66.85%	66.85%	4,416 t

Annual production at the LaRonde mine in 2017 is expected to be approximately 315,000 ounces of gold, 1,072,000 ounces of silver, 4,482 tonnes of copper and 7,286 tonnes of zinc from 2.2 million tonnes of ore grading 4.77 grams per tonne of gold, 20.03 grams per tonne of silver, 0.25% copper and 0.51% zinc. The total cash costs per ounce of gold produced in 2017 on a by-product basis are expected to be $510, with estimated gold recovery at 95.6%, silver recovery of 77.5%, copper recovery of 82.0% and zinc recovery of 66.9%. Gold recovery at the LaRonde mine is distributed approximately as follows: 72% in the copper concentrate, 2% in the zinc concentrate and 22% via leaching. Minesite costs per tonne of C$115 are expected in 2017.

Environmental, Permitting and Social 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 polishing pond #1 to undergo a secondary treatment at a plant located between polishing ponds #1 and #2 that uses a peroxy silicate process to destroy cyanide, and lime and coagulant (ferric sulfate) are used to precipitate metals. The tailings pond occupies an area of approximately 175 hectares. Waste rock that is not used underground for backfill is brought up to the surface and stored in close proximity to the tailings pond to be used to build cofferdams and berms inside the pond to increase storage capacity. A waste rock pile containing less than 100,000 tonnes of waste and occupying approximately nine hectares is located north of the mill.

Due to the high sulphur content of the LaRonde mine ore, the Company has to address toxicity issues in the tailings ponds. This problem was resolved by the commissioning of 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 free of toxicity. An increase in biological treatment efficiency allowed the ammonia treatment plant to be placed out of service in 2015. In 2016, final effluent was fully compliant and treatment of the backlog of water in the tailings pond that had been accumulating between 2000 and 2004, when the effluent was shutdown while determining a treatment solution, was completed. In 2017, the Company expects to maintain in the tailings pond the minimum quantity of water required to feed the mill with recirculation water. In addition, water from acid rock drainage around the mills and the waste stockpile are treated to remove metals prior to discharge at a high density sludge lime treatment plant located at the LaRonde mill.

Capital Expenditures

Capital expenditures at the LaRonde mine during 2016 were approximately $64.3 million, which included sustaining capital expenditures, deferred expense and included capitalized drilling. Budgeted 2017 capital expenditures at the LaRonde mine are $102.7 million, excluding capitalized drilling.

Development

In 2016, a total of 13.9 kilometres of lateral development was completed. Development was focused on the preparation of the lower mine production horizon. More than 90% of the development work has been completed for the LaRonde mine extension infrastructure and the ramp to access the LaRonde mine extension.

Following the completion of a positive internal technical study, LaRonde Zone 5 (formerly referred to as Bousquet Zone 5) has been approved for development (subject to permitting approval). The mining method will be similar to that currently employed at the Goldex and LaRonde mines (long-hole stoping, with cemented paste backfill), and processing will use excess capacity from the Lapa circuit at LaRonde. Permits are expected to be received by mid-2018, with mining expected to commence shortly thereafter.

A total of 12.4 kilometres of lateral development is planned for 2017. The main focus of development remains the lower mine (LaRonde extension area), the development toward the lowest levels and the West mine portion.

Geology, Mineralization, Exploration and Drilling

Geology

The LaRonde property is located near the southern boundary of the Archean-age (2.7 billion years old) Abitibi Subprovince and the Pontiac Subprovince within the Superior Geological Province of the Canadian Shield. The most important regional structure is the Cadillac-Larder Lake ("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 and copper at the LaRonde mine) follow steeply dipping, east-west-trending, anastomosing shear zone structures within the Blake River Group volcanic units across the property. These shear zones are part of the larger Doyon-Dumagami Structural Zone that hosts several important gold occurrences (including the Doyon gold mine, the Westwood 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 LaRonde deposit is a gold-rich volcanogenic massive sulphide (VMS) deposit. LaRonde lenses were formed mainly by sulphide precipitation from hydrothermal fluids on the seafloor and by replacement below lenses. The stacking of the LaRonde lenses is the result of successive volcanic events, intercalated by cycles of hydrothermat activity associated with reactivation of synvolcanic faults.

The gold-bearing zones at the LaRonde mine are lenses of disseminated stringers through to massive aggregates of coarse pyrite with zinc, copper and silver content. Ten zones that vary in size from 50,000 to 40,000,000 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 mineral resources at the LaRonde mine, including 17.3 million tonnes of proven and probable mineral reserves grading 5.44 grams of gold per tonne, representing 98% of the total proven and probable mineral reserves at the LaRonde mine, 5.1 million tonnes of indicated mineral resources grading 3.32 grams of gold per tonne, representing 90% of the total measured and indicated mineral resources at the LaRonde mine, and 6.5 million tonnes of inferred mineral resources grading 7.4 grams of gold per tonne, representing 84% of the total inferred mineral resources at the LaRonde mine.

Zone 20 North extends between 700 metres below the surface and at least 3,700 metres below the 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 2017. The development of the western part of the mine, between Levels 278 and 314, is expected to give access to a new zinc/silver rich sector.

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

Exploration and Drilling

The combined amount of gold in proven and probable mineral reserves at the LaRonde mine at the end of 2016 was 3.05 million ounces (17.6 million tonnes of ore grading 5.40 grams of gold per tonne, 19.14 grams of silver per tonne, 0.24% copper and 0.87% zinc), which represents a reduction of 55,759 contained ounces of gold from the end of 2015, after producing 305,788 ounces of gold (319,887 ounces in situ gold mined in 2016). The reduction in mineral reserves is principally associated with ore mined during 2016 and delineation and definition drilling done at the edges and in the deepest part of the orebody, but was partly offset by the conversion of mineral resources into mineral reserves located on three levels below 3.1 km depth in the eastern part of the mine, referred to as LaRonde 3. Underground indicated mineral resources at the LaRonde mine decreased by 1.2 million tonnes of ore to a total of 5.7 million tonnes of ore grading 3.27 grams of gold per tonne, 20.51 grams of silver per tonne, 0.21% copper and 0.93% zinc, primarily due to the conversion of mineral resources into mineral reserves in the eastern portion of the mine, as described above. Underground inferred mineral resources at the LaRonde mine decreased by 1.4 million tonnes of ore to a total of 7.7 million tonnes of ore grading 6.68 grams of gold per tonne, 14.48 grams of silver per tonne, 0.25% copper and 0.60% zinc.

Diamond drilling is used for exploration on the LaRonde property. In 2016, 35 holes (13,327 metres) were drilled for definition (conversion) drilling and 15 holes (10,011 metres) were for exploration. Expenditures on diamond drilling at the LaRonde mine during 2016 were approximately C$4.9 million, including C$1.7 million in drilling expenses charged to capital costs at the LaRonde mine, and C$3.2 million expensed as exploration drilling.

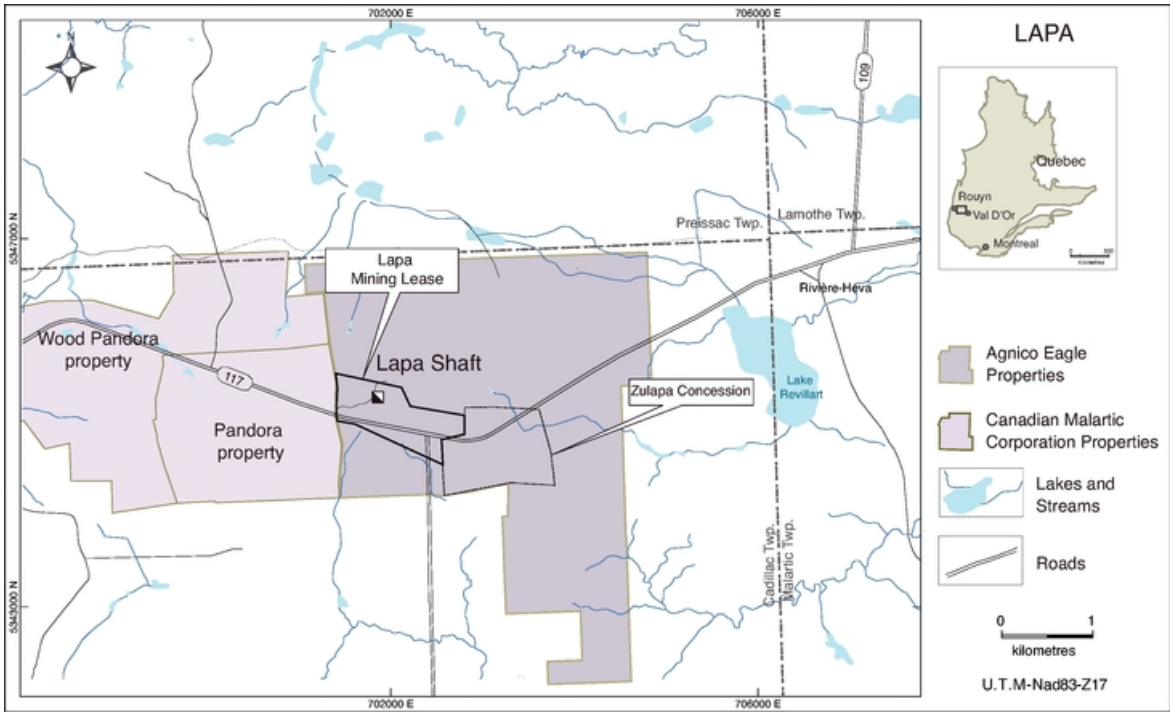
The main focus of the 2016 exploration program was continuing the investigation and conversion of Zone 20 North at depth and exploration of the Zone 6 and 7 horizons at depth from the new accesses developed toward the west on Levels 290 and 293. The 2016 conversion program on Zone 20 North was focused on conversion from inferred to indicated mineral resources below Level 311 at depth, in the centre and western portions of the deposit (below the actual limit of mineral reserves). The positive results obtained in this program allowed the addition of indicated mineral resources below 3.1 kilometres on the eastern portion and continued to confirm the extension of the orebody to 3.4 kilometres below the surface, or 300 metres below the current maximum depth of mineral reserves, in the western portion, and also confirmed some high grade intersections and the extension of a massive lens that had been previously identified. The conversion program will continue in 2017 through 2018, and will investigate the continuity of the orebody to 3.7 kilometres below the surface and to the west. Another drilling access is currently being developed to provide better positioning for an extensive diamond drilling program on Zone 6 to a depth of 3.7 kilometres.

In 2017, the Company expects to spend C$2.1 million on 15,200 metres of definition (conversion) drilling and C$2.4 million on 12,850 metres of exploration drilling, for a total of C$4.5 million at the LaRonde mine.

Lapa Mine

At December 31, 2016, the Lapa mine was estimated to contain proven and probable mineral reserves of 38,000 ounces of gold comprised of 259,000 tonnes of ore grading 4.58 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, and the Zulapa property, which consists of one mining concession. The mining lease at Lapa expires in 2029. Based on the life of mine plan, production is expected to cease in 2017.

Location Map of the Lapa Mine (as at December 31, 2016)



During 2016, the Lapa mine had payable production of 73,930 ounces of gold from 0.59 million tonnes of ore grading 4.64 grams of gold per tonne. The production costs per ounce of gold produced at Lapa in 2016 were $717. The total cash costs per ounce of gold produced at Lapa in 2016 were $732 on a by-product basis and on a co-product basis. The Lapa processing facility averaged 1,619 tonnes per day and operated approximately 89.5% of available time. Gold recovery averaged 83.82%. The production costs per tonne at Lapa were C$118 and the minesite costs per tonne were C$121 in 2016. In 2016, the Company incurred no capital expenditures at the Lapa mine. No capital expenditures at the Lapa mine are expected in 2017.

The following table sets out the metal recoveries at the Lapa mine in 2016.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	4.64 g/t	83.82%	73,930 oz

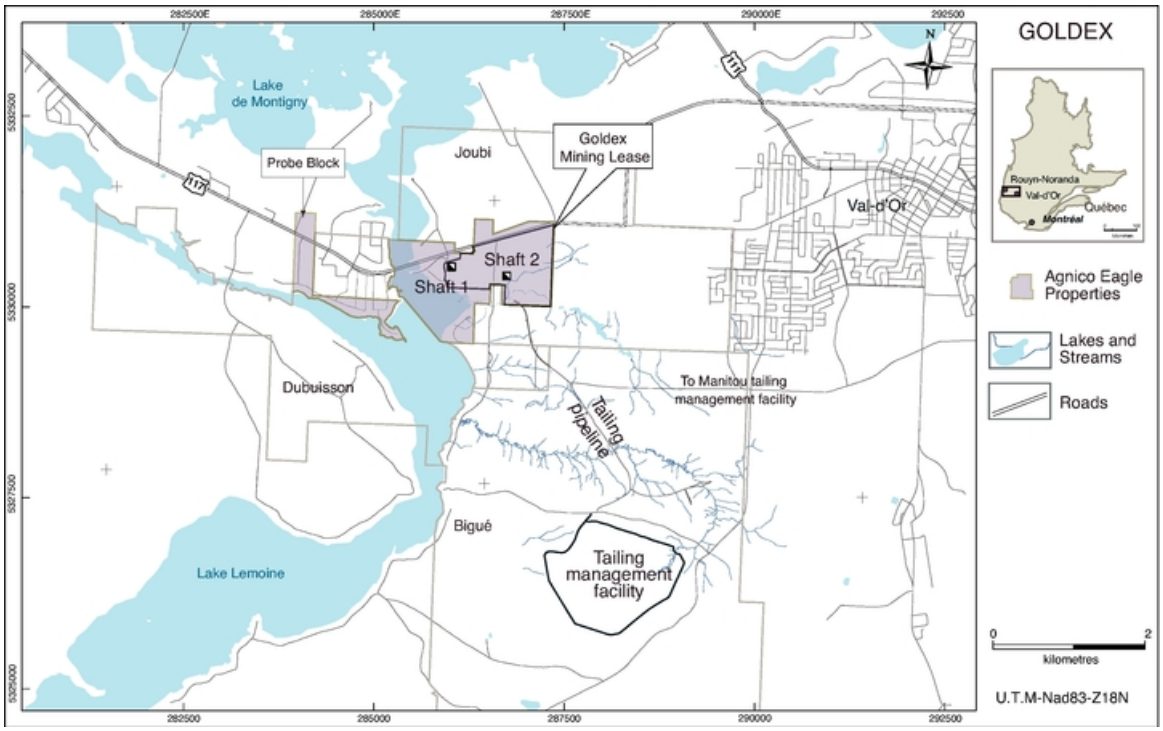
Gold production during 2017 at the Lapa mine is expected to be approximately 15,000 ounces from 0.14 million tonnes of ore grading 4.0 grams of gold per tonne at estimated total cash costs per ounce of approximately $1,002 on a by-product basis, and estimated gold recovery of 82.5%. Minesite costs per tonne of approximately C$134 are expected in 2017.

Goldex Mine

The Goldex mine is located in the City of Val d'Or, Quebec, approximately 60 kilometres east of the LaRonde mine, and is accessible by Quebec provincial highway No. 117. The proven and probable mineral reserves at Goldex as at December 31, 2016 were estimated at approximately 0.89 million ounces of gold comprised of 16.8 million tonnes of ore grading 1.64 grams per tonne.

The Goldex mine operates under a mining lease obtained from the Ministry of Energy and Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Sustainable Development, Environment and the Fight Against Climate Change (Quebec). The Goldex property consists of 22 contiguous mining claims and, since April 2008, one provincial mining lease. The property is made up of three blocks: the Probe block; the Dalton block; and the Goldex Extension block. 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 that is used for the auxiliary tailings pond. This lease is renewable annually upon payment of a fee.

Location Map of the Goldex Mine (as at December 31, 2016)



Agnico Eagle has held a 100% interest in the Goldex property since December 1993, when the Company acquired the remaining 46.3% interest in Goldex Mines Limited that it did not already own. In February 2005, a mineral reserve and mineral resource estimate was completed for the GEZ (which was the deposit on which the Company was focusing its production efforts before production was suspended on October 19, 2011) 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.

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.

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

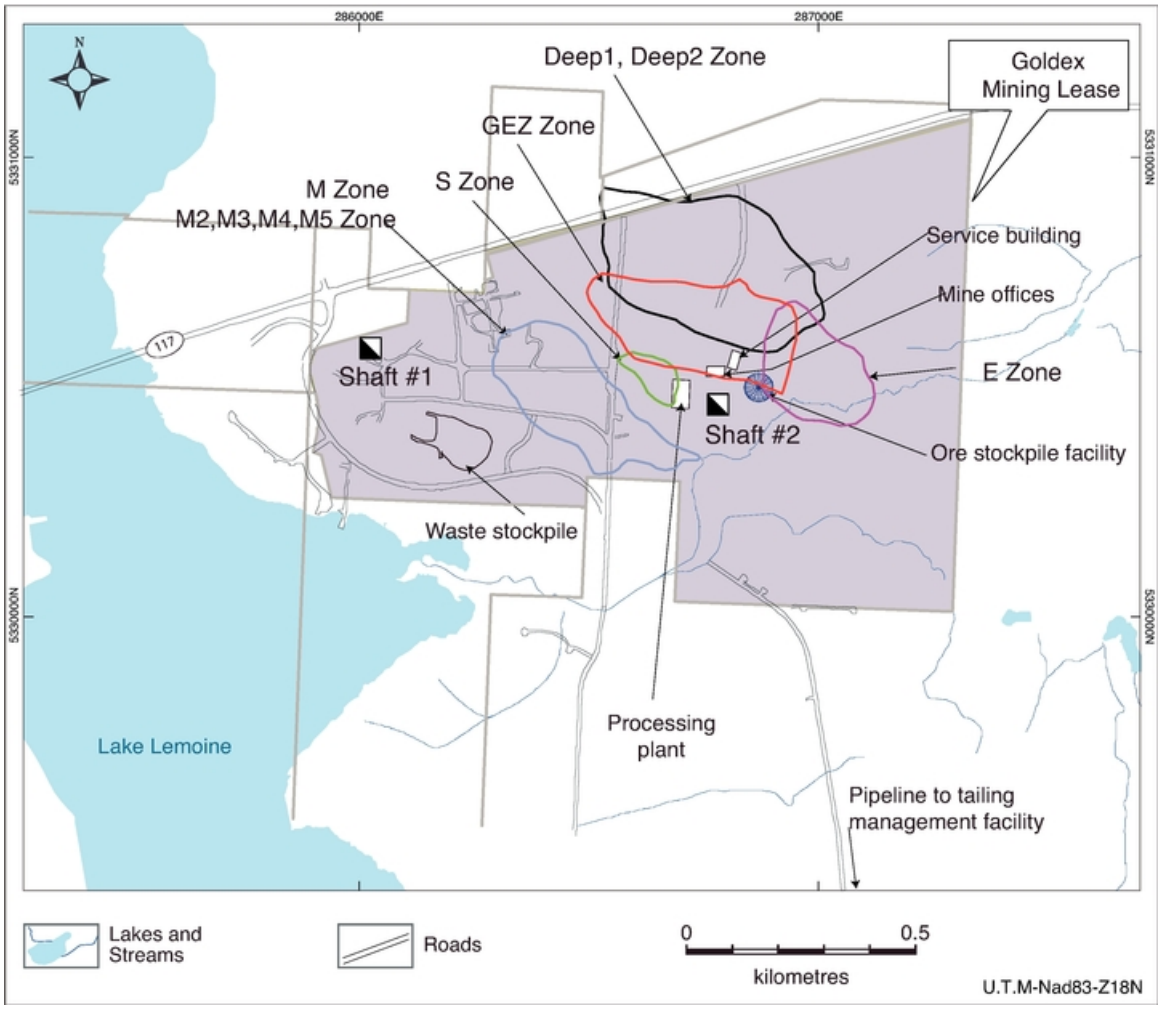
geotechnical concerns with the rock above the mining horizon. The Company does not expect to produce more gold from the GEZ until the geotechnical concerns with the rock above the mining horizon are resolved, which may never occur.

In July 2012, the Company approved the development of the M and E Zones of the Goldex mine. 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.

In 2015, following the completion of a positive internal technical study, the Goldex Deep 1 project was approved for production by Agnico Eagle's board of directors (the "Board" or "Board of Directors") and is on schedule for commissioning in early 2018. The study focused on mining the lower part of the Dx Zone and the top part of the D Zone,from a depth of 850 metres to 1,200 metres. The Company plans to undertake development from the current Goldex infrastructure, with existing equipment and personnel. The planned mining method is long-hole stoping with cemented paste backfill, which is the same method as currently used at the M and E Zones.

Mining and Milling Facilities

Surface Plan of the Goldex Mine (as at December 31, 2016)



The surface facilities at Goldex include a head frame, a hoist room, an ore storage facility, a processing plant, a paste backfill plant and a surface building containing a mechanical shop, a warehouse and an office. In addition, the Goldex property has a 790-metre deep shaft (Shaft #1), which historically was used to provide access to underground workings. Shaft #1 is now predominantly used for getting material into the mine and serves 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.

Rehabilitation of the old ramp near Shaft #1 was completed in 2015 to access the upper portion of the M Zone. The ramp will be used for getting material into the mine and as an emergency exit. In addition, a new heating system at surface was installed in early 2015.

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 are either 4.5 or 6.5 inches in diameter. Bulk emulsion is used as the primary explosive for stope blasting. For both zones, stopes are approximately 55 metres high. The width and length of individual stopes vary based on local rock mass quality, but an average stope is expected to range between 60,000 and 120,000 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 10-15 metre cable bolts. In addition, the stability of certain stopes is remotely monitored in real time. The Company also uses paste backfill to allow for a high extraction ratio and to increase long term stability.

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

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.

In 2013, a new backfill plant was built on the site. The tailing thickener underflow feeds the backfill plant and two disk filters increase the density before the continuous mixer where binder is added at a ratio of approximately 3.6% before being sent to the underground mine with a positive displacement pump. Currently, 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.

Production and Mineral Recoveries

During 2016, the Goldex mine had payable production of 120,704 ounces of gold from 2.55 million tonnes of ore grading 1.60 grams of gold per tonne. The production costs per ounce of gold produced at Goldex in 2016 were $525. The total cash costs per ounce of gold produced at Goldex in 2016 were $532 on a by-product basis and on a co-product basis and the processing facility averaged 6,954 tonnes of ore per day and operated 95.8% of available time. During 2016, gold recovery averaged 92.36%. The production costs per tonne at Goldex were C$33 and the minesite costs per tonne were C$33 in 2016.

The following table sets out the metal recoveries at the Goldex mine in 2016.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	1.60 g/t	92.36%	120,704 oz

Gold production during 2017 at the Goldex mine is expected to be approximately 105,000 ounces from 2.36 million tonnes of ore grading 1.51 grams of gold per tonne at estimated total cash costs per ounce of approximately $667 on a by-product basis, with estimated gold recovery of 92.0%. Minesite costs per tonne of approximately C$38 are expected in 2017.

Environmental, Permitting and Social Matters

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

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

Internal dykes are used at the Manitou tailings site to make optimal use of the available tailings for rehabilitation of the Manitou site.

As at December 31, 2016, the estimated remaining reclamation costs relating to the Goldex mine are approximately $6.1 million.

Capital Expenditures

Capital expenditures at the Goldex mine during 2016 were approximately $81.3 million, which included sustaining capital expenditures, expansion construction and deferred expenses, but excluded capitalized drilling. Total estimated capital expenditures for 2017 are $72.8 million, excluding capitalized drilling.

Development

During 2016, approximately 12,421 metres of lateral development were completed at the Goldex mine. A total of 806 metres of vertical development was also completed in order to establish both the ore pass system servicing the M Zone and the ventilation network servicing the M and Deep 1 Zones.

A total of 8,660 metres of lateral development is planned for all zones in 2017, while 555 metres of vertical development will be necessary to extend the ore pass system and to ensure proper ventilation of the Deep 1 Zone. In 2017, 2,500 metres of additional drilling is planned for the Deep 1 Zone.

Geology, Mineralization, Exploration and Drilling

Geology

The Goldex property is located near the southern boundary of the Archean-age (2.7 billion years old) Abitibi Subprovince, a typical granite-greenstone terrane located within the Superior Province of the Canadian Shield. The southern contact of the Abitibi Subprovince with the Pontiac Subprovince is marked by the east-southeast trending 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 M Zone has an approximate length of 440 metres, a height of 350 metres and a thickness of 130 metres. The E Zone, adjacent to the eastern end of the GEZ, has an approximate length of 250 metres, a height of 290 metres and a thickness of 130 metres. The Deep 1 Zone is approximately 90 metres below the GEZ and extends to 1,500 metres below the surface. It appears to have an approximate strike length of 350 metres, a height of 600 metres and thickness of 120 metres.

Mineralization

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

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

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

Exploration on the Goldex property was concentrated in three periods from 1963 to 1996. During the period from 1985 to 1996, Shaft #1 was sunk to 457 metres, followed by 3,810 metres of lateral development and 520 metres of slashing, a bulk sample of roughly 55,886 tonnes and approximately 32,000 metres of diamond drilling in the Main Zone. Concurrently, widely spaced drilling, comprised of approximately 50 diamond drill holes, led to the discovery and beginning of the development of the GEZ. In 1996, Shaft #1 was deepened to 790 metres, followed by 853 metres of lateral development, cross-cuts and slashing, two bulk samples for 136,200 tonnes and 23,000 metres of underground drilling in GEZ.

The combined amount of gold in proven and probable mineral reserves at the Goldex mine at the end of 2016 was 0.89 million ounces (16.8 million tonnes of ore grading 1.64 grams of gold per tonne), which represents an increase of approximately 0.2 million ounces of gold in reserves from the end of 2015, after producing 120,704 ounces of gold (130,687 ounces in situ gold mined). The increase is largely due to the successful conversion of mineral resources to mineral reserves, mainly in the D Zone as well as in the M and E Zones. The mineral reserve grade increased from 1.61 grams of gold per tonne at the end of 2015 to 1.64 grams of gold per tonne at the end of 2016. Underground measured and indicated mineral resources at the Goldex mine decreased by 4.12 million tonnes of ore to 30.3 million tonnes of ore grading 1.82 grams of gold per tonne, primarily due to conversion of indicated to measured mineral resources, positive drilling results in the Deep 1 Zone and the removal of non-recoverable resources in the M and E Zones, primarily due to mining sequencing. In 2016, there was a decrease in inferred mineral resources of approximately 2.75 million tonnes of ore to 21.88 million tonnes of ore grading 1.60 grams of gold per tonne. This decrease in the inferred mineral resources was primarily due to the conversion of inferred to indicated mineral resources and positive

drilling results in the E, M, Dx and Deep 1 Zones and the removal of non-recoverable resources in the M and E Zones primarily due to mining sequencing.

Diamond drilling at Goldex in 2016 totaled 373 holes for a total length of 62,210 metres. Of this total, 84 holes (17,438 metres) were for exploration of the M, Deep 1 and South Zones at a cost of $0.83 million, 248 holes (41,254 metres) were for conversion drilling, principally in the Deep 1 and M Zones, at a cost of $2.33 million, 24 holes (1,596 metres) were delineation drilling in the M and E Zones at a cost of $0.07 million and 17 holes (1,922 metres) were drilled for the engineering and mining departments at a cost of $0.15 million.

In 2017, the Company expects to spend $1.26 million on 18,150 metres of exploration drilling, $2.54 million on 33,350 metres of conversion drilling, $0.77 million on 10,000 metres of delineation drilling and $0.3 million on 3,000 metres of expensed drilling.

Canadian Malartic Mine

The Canadian Malartic mine is located approximately 25 kilometres west of the City of Val-d'Or and 80 kilometres east of City of Rouyn-Noranda. The mine lies within the town of Malartic. It straddles the townships of Fournière, Malartic and Surimau. At December 31, 2016, the Canadian Malartic mine was estimated to have proven and probable mineral reserves containing approximately 3.55 million ounces of gold comprised of 101.8 million tonnes of ore grading 1.08 grams per tonne (representing the Company's 50% interest).

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

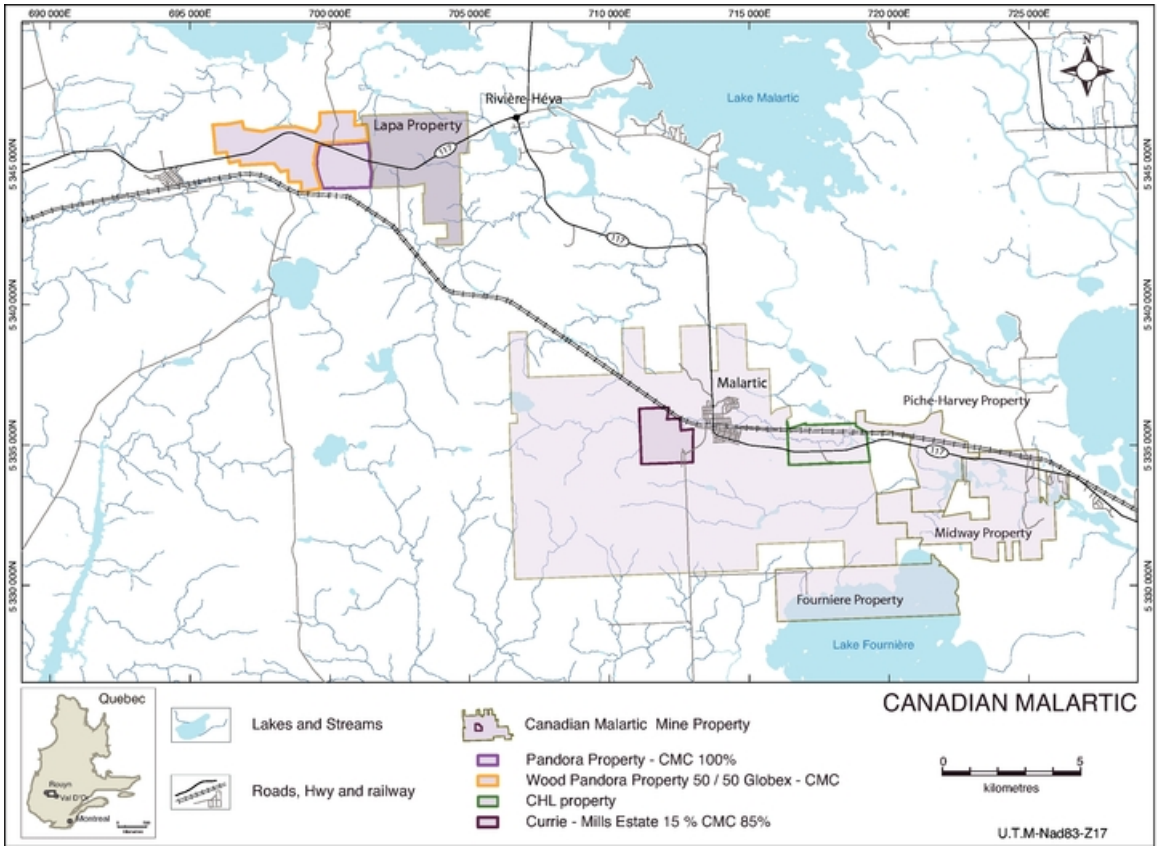
The Canadian Malartic mine operates under mining leases obtained from the Ministry of Energy and Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Sustainable Development, Environment and the Fight Against Climate Change (Quebec). The Canadian Malartic property is comprised of the East Amphi property, the CHL Malartic prospect, the Canadian Malartic mine and the Fourniere, Midway and Piche-Harvey properties. The Canadian Malartic property consists of a contiguous block comprising one mining concession, five mining leases and 199 mining claims.

Expiration dates for the mining leases on the Canadian Malartic property vary between March 23, 2019 and February 17, 2034, and are automatically renewable for three further ten-year terms upon payment of a small fee.

The Canadian Malartic mine can be accessed either from Val d'Or in the east or from Rouyn-Noranda in the west via Quebec provincial highway No. 117. A paved road running north-south from the town of Malartic towards Mourier Lake cuts through the central area of the Canadian Malartic property. The Canadian Malartic property is further accessible by a series of logging roads and trails. The Canadian Malartic mine is also serviced by a rail-line which cuts through the middle of the town of Malartic. The nearest airport is located in Val-d'Or.

A buffer zone 135 metres wide has been developed along the northern limit of the open pit to mitigate the impacts of mining activities on the citizens of Malartic. Inside this buffer zone, a landscaped ridge was built primarily using rock and topsoil produced during pre-stripping work. The height of this landscaped ridge is 15 metres where the concentration of residents is higher and five to six metres near less populated areas.

Location Map of the Canadian Malartic Mine (as at December 31, 2016)



The Canadian Malartic mine includes open pit operations, an administration/warehouse building, a mine office/truck shop building, a process plant and the crushing plant.

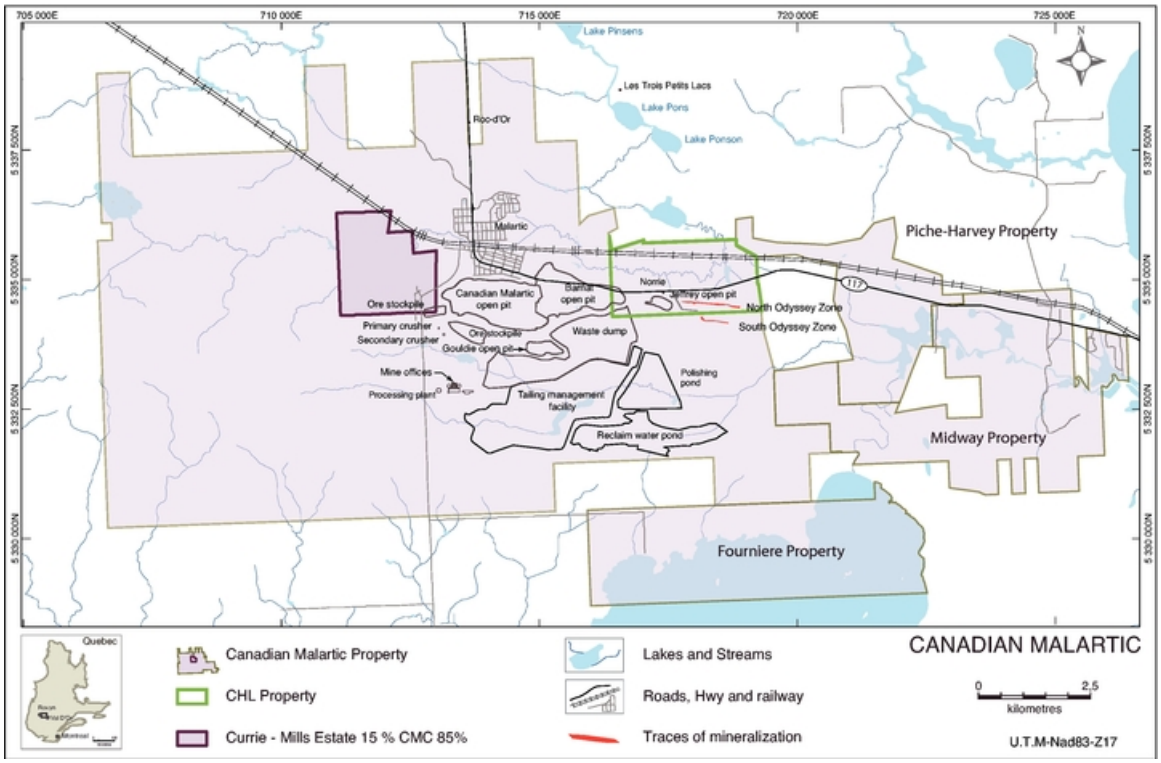
Following the joint acquisition of the Canadian Malartic mine by the Company and Yamana, most of the mining claims are subject to a 5% net smelter return royalty payable to New Osisko. The mining claims comprising the CHL Malartic prospect are subject to 3% net smelter return royalties payable to each of New Osisko and Abitibi Royalties Inc. In addition, of the mining claims constituting the Canadian Malartic property, 101 are also subject to other net smelter return royalties that vary between 1% and 2%, payable under varying circumstances. In 2016 the Partnership, which is the operator of the Canadian Malartic mine, paid C$61.1 million in the aggregate with respect to these net smelter return royalties, and expects to pay approximately C$60.6 million in 2017.

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

As of December 31, 2010, the Canadian Malartic mine had received all formal government permits required for its construction and related activities, with the exception of the authorization for the mill and mine operations. The official certificate of authorization for the mill and operations was granted on March 31, 2011, at which point the Canadian Malartic mine was fully permitted. The Canadian Malartic mine achieved commercial production on May 19, 2011.

Mining and Milling Facilities

Surface Plan of the Canadian Malartic Mine (as at December 31, 2016)



The Canadian Malartic mine is a large open pit operation comprised of the Canadian Malartic pit. The Partnership continues to work with the Quebec Ministry of Transport and the town of Malartic on the deviation of Quebec provincial highway No. 117 to gain access to the higher grade Barnat and Jeffrey deposits. The final layout and an environmental impact assessment were completed at the end of January 2015. The environmental impact assessment is under review by the Ministry of Sustainable Development, Environment and the Fight Against Climate Change (Quebec). The Quebec Bureau d'audiences publiques sur l'environment ("BAPE") issued its report on the Canadian Malartic pit extension on October 5, 2016. The BAPE report concluded that the project is acceptable and provides several recommendations intended to enhance social acceptability.

Mining Methods

Mining at the Canadian Malartic mine is done by open pit method using excavators and trucks. In order to maximize productivity and limit the number of units operating in the pit, large scale equipment was selected for the mine operation. The primary loading tools are hydraulic excavators, with wheel loaders used as a secondary loading tool. The mine production schedule was developed to feed the mill at a nominal rate of 55,000 tonnes per day. The continuity and consistency of the mineralization, coupled with tight definition drilling, and confirmed by seven years of mining operations, demonstrate the amenability of the mineral reserves and mineral resources to the selected mining method.

The throughput at the Canadian Malartic mine in 2016 averaged 53,665 tonnes per day compared with 52,300 tonnes per day in 2015. The increased throughput in 2016 was largely due to mill optimization, additional crushed ore from the portable crusher and mill stability.

Surface Facilities

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

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

Production and Mineral Recoveries

Since the June 16, 2014 acquisition of Osisko, Agnico Eagle and Yamana have each held a 50% interest in the Canadian Malartic mine. During 2016, Agnico Eagle's share of the Canadian Malartic mine's payable production was 292,514 ounces of gold and 339,974 ounces of silver from 9,620,697 tonnes of ore grading 1.038 grams of gold per tonne and 1.35 grams of silver per tonne. The production costs per ounce of gold produced at Canadian Malartic in 2016 were $628. The total cash costs per ounce of gold produced at Canadian Malartic in 2016 were $606 on a by-product basis and were $626 on a co-product basis. The Canadian Malartic processing facility averaged 53,665 tonnes per day and operated approximately 95.0% of available time. Gold and silver recovery averaged 89.3% and 79.6%, respectively. The production costs per tonne at Canadian Malartic were C$25 and the minesite costs per tonne were C$25 in 2016.

The following table sets out the metal recoveries at the Canadian Malartic mine on a 100% basis in 2016.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	1.038 g/t	89.3%	585,027 oz
Silver	1.352 g/t	79.6%	679,948 oz

The Company's 50% share of annual production at the Canadian Malartic mine in 2017 is expected to consist of approximately 300,000 ounces of gold and 324,000 ounces of silver from 9.4 million tonnes of ore grading 1.11 grams of gold per tonne and 1.34 grams of silver per tonne. The total cash costs per ounce in 2017 are expected to be approximately $578 per ounce on a by-product basis, with estimated gold recovery of 89.3% and silver recovery of 80.0%. Minesite costs per tonne of approximately C$24 are expected in 2017.

Environmental, Permitting and Social Matters

In 2015, an action plan was developed and implemented by the Partnership to mitigate noise, vibrations, atmospheric emissions and ancillary issues. Mitigation measures were put in place to improve the process and avoid any environmental non-compliance. As a result, in 2016, the Partnership improved its environmental performance compared to previous years. With respect to activities in 2016, the Partnership received one non-compliance blast notice and ten non-compliance noise notices (which included notices received in instances where noise levels were otherwise within the municipal noise limits). The mine's team of on-site environmental experts continue to monitor regulatory compliance in terms of approvals, permits and observance of directives and requirements and continue to implement improvement measures.

On August 2, 2016, the Partnership was served with a class action lawsuit with respect to allegations involving the Canadian Malartic mine. See "Legal Proceedings and Regulatory Actions" for further details on the class action lawsuit.

Beginning in the spring of 2015, the Partnership has been working collaboratively with the community of Malartic and its citizens to develop a "Good Neighbour Guide" that addresses the allegations contained in the lawsuit. Implementation of the recommendations in the Good Neighbour Guide began on September 1, 2016.

The original design of the waste rock pile was developed to accommodate approximately 326 million tonnes of mechanically placed waste rock requiring a total storage volume of approximately 161 million cubic metres.

In December 2015, the Partnership completed the construction of a new polishing pond east of dyke A, which has been operational since May 2016. The existing polishing pond, with a capacity of approximately 48 million tonnes, has been converted into the eighth cell of the tailings management facility, adding 2.5 years of operation to the tailings management facility capacity for a total of 148 million tonnes and 7.5 years of operation. The total capacity of the current tailings management facility is estimated at 198 million tonnes. The expansion of the open pit, with the production from the

Canadian Malartic pit extension (Barnat deposit), will increase the total amount of tailings to 342 million tonnes, requiring an additional 144 million tonnes in tailings storage capacity. The Partnership plans to store tailings in an extended tailings facility and in the Canadian Malartic pit at the end of its operations. According to the mine plan, at the end of mine life, 50 to 100 million tonnes of tailings will be deposited in the pit. The rest of the tailings, comprising a minimum of 59 and a maximum of 109 million tonnes, will be deposited in the extended tailings facility.

Regulatory approval for the proposed tailings deposition in the Canadian Malartic pit and the expansion of the currently authorized tailings area are part of the approval process for the Canadian Malartic pit extension (Barnat deposit) subject to the environmental impact assessment process of the Quebec *Environment Quality Act*. The environmental impact assessment has been completed and is under review by the Ministry of Sustainable Development, Environment and the Fight Against Climate Change (Quebec). Golder Associates Ltd. is designing the tailings extension component and is preparing a hydrogeological study to demonstrate that the Canadian Malartic pit would provide a hydraulic trap and contain the tailings with minimum environmental risk. Delay in the expected timing of the permits required for the Canadian Malartic pit extension could have a negative impact on the mining sequence at Canadian Malartic.

The public hearings (BAPE process) took place in June and July 2016 for the Canadian Malartic pit extension and the BAPE issued their report in October 2016, with a recommendation to the Minister that the project be accepted with certain conditions. A decision by the Minister is expected in the first half of 2017.

An annual hydrological site balance is maintained to provide a yearly estimate of water volumes that must be managed in the different structures of the water management system of the Canadian Malartic mine during an average climatic year (in terms of precipitation). Results of this hydrological balance indicate that excess water from the southeast pond will eventually need to be released into the environment. A water treatment plant was commissioned in 2015 to ensure that the water to be released to the environment meets water quality requirements. This water treatment plant reduces the risks associated with surface water management and adds flexibility to the system. In 2016, modifications on water management were made in order to improve water quality segregation and reduce the volumes of water potentially requiring treatment.

Reclamation and closure costs have been estimated for rehabilitating the tailings facility and waste dump, vegetating the surrounding area, dismantling the plant and associated infrastructure, and performing environmental inspection and monitoring for a period of ten years. The reclamation and closure cost is estimated to be C$65.5 million. Financial assurance has been provided based on the closure plan.

Capital Expenditures

The Company's portion of capital expenditures at the Canadian Malartic mine during 2016 were approximately $60.4 million, which included sustaining capital expenditures and deferred expense, but excluded capitalized drilling. Budgeted 2017 capital expenditures at the Canadian Malartic mine are $67.6 million, excluding capitalized drilling.

Development

Development activities at the Canadian Malartic mine in 2016 primarily consisted of minor stripping activities. Development activities in 2017 are expected to include additional stripping activities. Permitting activities are ongoing.

Geology, Mineralization, Exploration and Drilling

Geology

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

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

rocks of the Piché Group and the northern part of the Pontiac Group have been metamorphosed to upper greenschist facies.

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

Mineralization

Surface drilling by Lac Minerals Ltd. in the 1980s defined several near-surface mineralized zones now included in the Canadian Malartic deposit (the F, P, A, Wolfe and Gilbert zones), all expressions of a larger, continuous mineralized system located at depth around the historical underground workings of the Canadian Malartic and Sladen mines. In addition to these, the Western Porphyry Zone occurs one kilometre northeast of the main Canadian Malartic deposit and the Gouldie mineralized zone occurs approximately 1.2 kilometres southeast of the main Canadian Malartic deposit, although the relationship between these zones and the main deposit is presently unknown.

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

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

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

Exploration and Drilling

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

The combined amount of gold in proven and probable mineral reserves at the Canadian Malartic mine at the end of 2016 was 3.55 million ounces (101.8 million tonnes of ore grading 1.08 grams per tonne of gold), which represents a decrease of approximately 314,000 ounces of gold as compared to the end of 2015, after producing 292,514 ounces of gold (335,665 ounces in situ gold mined). The reduction in mineral reserves was principally associated with ore mined during 2016. Measured and indicated mineral resources at the Canadian Malartic mine increased by 0.35 million tonnes of ore in 2016 to 13.1 million tonnes grading 1.53 grams of gold per tonne, due to a reduction in the cut-off grade related to gold price and exchange rate movements. Inferred mineral resources at the Canadian Malartic mine increased by 10.5 million tonnes in 2016 to 14.9 million tonnes grading 1.93 grams of gold per tonne, due to the initial inferred mineral resources at the Odyssey zone. All numbers shown for Canadian Malartic reflect Agnico Eagle's indirect 50% ownership in the mine.

Diamond drilling is used for exploration on the Canadian Malartic property. In 2016, 155 holes (119,393 metres) were drilled for definition (conversion) drilling and 39 holes (24,496 metres) were for exploration. Exploration expenditures at the Canadian Malartic mine during 2016 were approximately C$10.9 million (50% basis), which includes the purchase of the Midway property located 6 kilometres from the Canadian Malartic mine. The main focus of the 2016 exploration program concentrated on drill definition of the Odyssey deposit located 1.5 kilometres east of the current limit of the Canadian Malartic pit.

In 2017, the Partnership expects to spend approximately C$4.7 million on exploration drilling at Canadian Malartic. Exploration programs are planned to identify and extend already known mineralized zones below the pit.

Kittila Mine

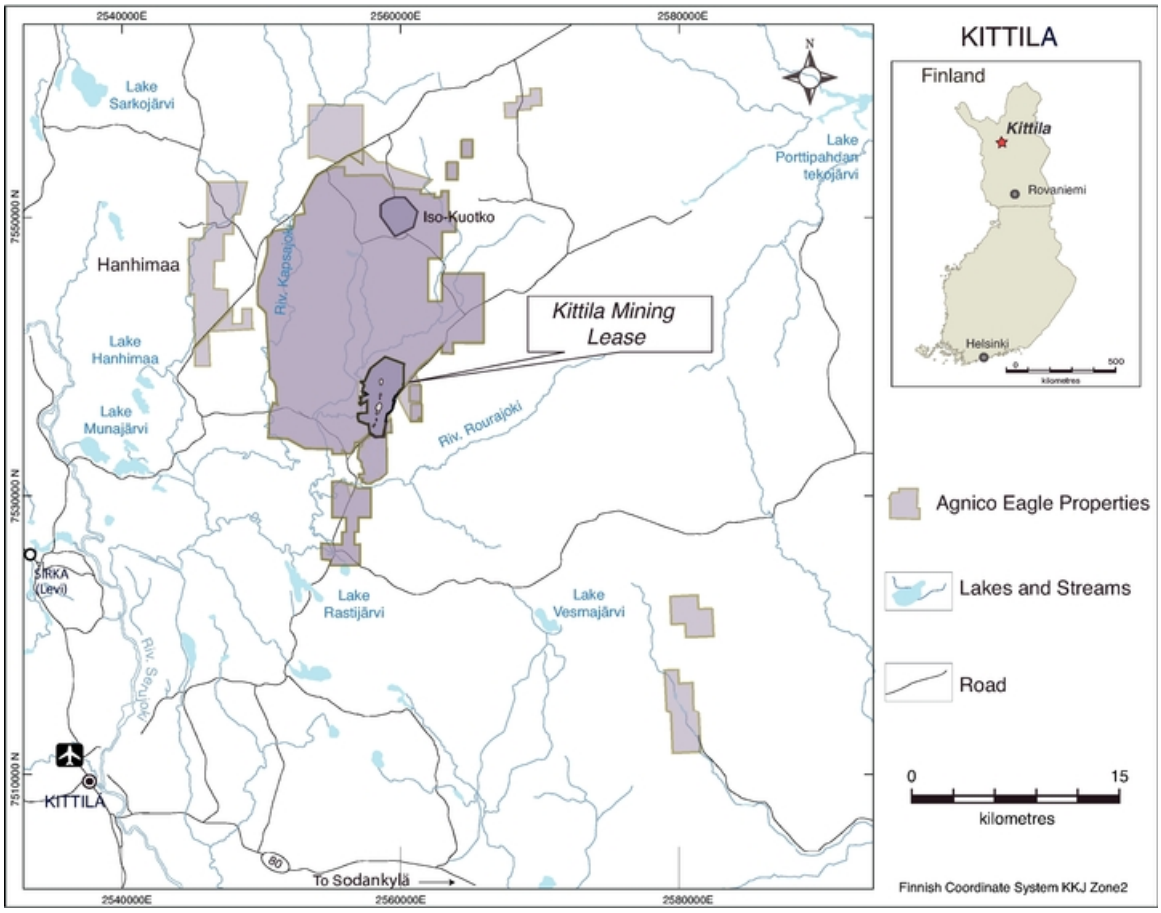
The Kittila mine, which commenced commercial production in May 2009, is located in northern Finland approximately 900 kilometres north of Helsinki and 50 kilometres northeast of the town of Kittila. At December 31, 2016, the Kittila mine was estimated to contain proven and probable mineral reserves of 4.48 million ounces of gold comprised of 30.1 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.

The total landholdings surrounding and including the Kittila mine comprise two mining licences and 172 tenements. The tenements form a continuous block around the Kittila and Kuotko mining licences. The block has been divided into the Suurikuusikko area (which includes the Rouravaara area), the Suurikuusikko West area, the Suurikuusikko East area, and the Kittila and Kuotko mining licences. The Kuotko mining licence is located approximately 15 kilometres north of the Kittila mine. The Kuotko mining licence is currently in the environmental review process.

The boundary of the mining licence is determined by ground-surveyed points, whereas the boundaries of the tenements are not required to be surveyed. All of the tenements at the Kittila mine are registered in the name of Agnico Eagle Finland Oy, an indirect, wholly-owned subsidiary of the Company. The expiry dates of the tenements vary, with the earliest expiry date being April 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 of 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 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 ten to minus 30 degrees Celsius, whereas summer temperatures range from ten 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 around the summer solstice.

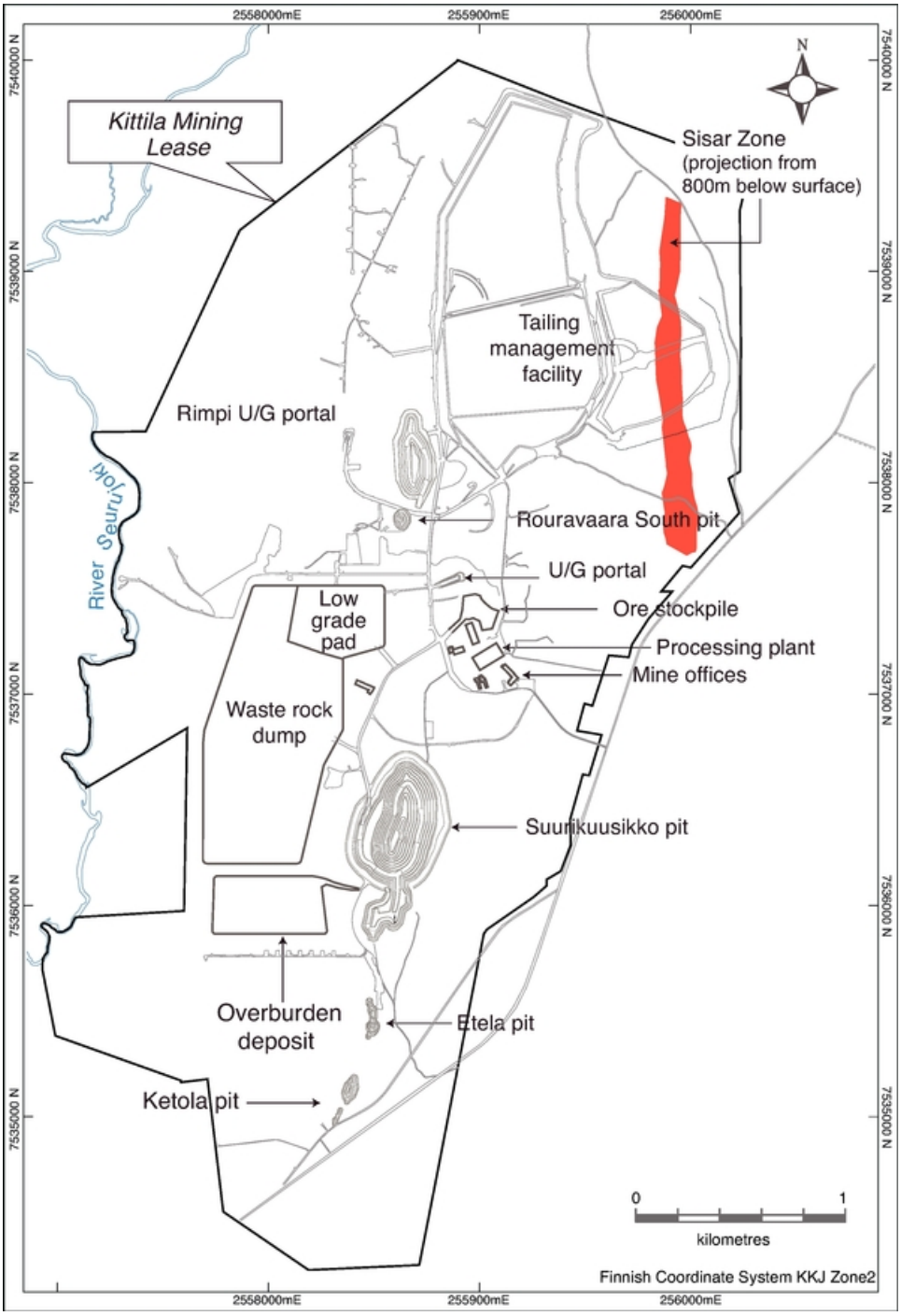
Location Map of the Kittila Mine (as at December 31, 2016)



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. Open pit mining ended 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 3,750-tonne per day surface processing plant that was commissioned in late 2008, and expanded from 3,000 to 3,750 tonnes per day in 2014. Limited gold concentrate production started in September 2008 and gold dore bar production commenced in January 2009.

Mining and Milling Facilities

Surface Plan of the Kittila Mine (as at December 31, 2016)



The orebodies at Kittila were initially mined from two open pits, followed by underground operations to mine the deposits further beneath the surface. Smaller additional open pits may be used to mine any remaining mineral reserves close to the surface in the future. Open pit mining started in May 2008 and the extracted ore was stockpiled. As of December 31, 2016, a total of 9.86 million tonnes of ore have been processed, including ore from the open pits and underground,

0.44 million tonnes of ore are currently stockpiled and 39.9 million tonnes of waste rock have been excavated, including both open pit and underground excavation. Work continued throughout 2016 to develop the exploration and Rimpi ramps, as well as other work to access the underground mineral reserves, including development of a ramp towards the Sisar Zone. Total underground (lateral and vertical) development at the end of 2016 was approximately 85 kilometres. Underground mining commenced in the fourth quarter of 2010 and, at the end of 2016, a total of 6.5 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 5,000 tonnes of ore per day are fed to the concentrator, exceeding the nominal capacity of 3,750 tonnes per day. The underground mining method is open stoping with delayed backfill. Stopes are between 25 and 40 metres high and yield between 8,000 and 40,000 tonnes of ore per stope. To ensure sufficient ore production is available in the future to supply the mill, over 15,000 metres of tunnels will be developed each year. After extraction, stopes are filled with paste backfill or cemented backfill to enable the safe extraction of ore in adjacent stopes. Ore is trucked to the surface crusher via the ramp access system.

Surface Facilities

Construction of the processing plant and associated equipment was completed in 2008. Facilities at the Kittila mine include office buildings, a maintenance facility for mining equipment, a warehouse, a second maintenance shop, an oxygen plant, a processing plant, a paste backfill plant, a tank farm, a crusher, conveyor housings, an ore bin and a sulfate removal plant at the NP3 tailings area. In addition, there are some temporary structures for 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 CIL processes. At the end of the second stage, gold is recovered from the carbon in a Zadra elution circuit and recovered from the solution using electrowinning and finally poured into dore bars using an electric induction furnace.

Production and Mineral Recoveries

In 2016, the Kittila mine had payable production of 202,508 ounces of gold from 1.67 million tonnes of ore grading 4.41 grams of gold per tonne. The production costs per ounce of gold produced at Kittila in 2016 were $701. The total cash costs per ounce of gold produced at Kittila in 2016 were $699 on a by-product basis and were $701 on a co-product basis and the processing facility averaged 5,251 tonnes of ore per day and operated 86.7% of available time. During 2016, flotation recoveries averaged 93.0%. Recoveries in the second stage of the process in 2016 averaged 92.1% and global recoveries were 85.7%. The production costs per tonne at Kittila were €77 and the minesite costs per tonne were €77 in 2016.

The following table sets out the metal recoveries at the Kittila mine in 2016.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	4.41 g/t	85.7%	202,508 oz

In 2017, the Kittila mine is expected to produce approximately 190,000 ounces of gold from 1.6 million tonnes of ore grading 4.30 grams of gold per tonne at estimated total cash costs per ounce of approximately $728 on a by-product basis, with estimated gold recovery of 86.0%. Minesite costs per tonne of approximately €78 are expected in 2017.

Environmental, Permitting and Social Matters

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

The construction of the first phase of the tailings dam 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.

On September 14, 2015, during routine inspections of the dam, water seepage was discovered from a holding pond (NP3). A detailed action plan for a permanent solution was developed by a team of internal and external experts and this plan and has been implemented. The action plan consisted of filling the entire area where the water seepage had occurred with tailings. In the beginning of 2016, all seepage beneath the dam had stopped and the Company expects no further risk of seepage occurring through the liner.

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 has resulted in a design to recover heat loss and use it to heat buildings, and this work is continuing. 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. A decision by the Administrative Court reviewing the appeal was received in the first quarter of 2015, granting the Company's appeal in part. The Company has also responded to another appeal lodged by a third party. The final decision from the Supreme Administrative Court was received in May 2016, and to comply with the requirements of the new permit, a water treatment plant for sulfate was built and commissioned in the fourth quarter of 2016.

Capital Expenditures

Capital expenditures at the Kittila mine during 2016 totaled approximately $75.9 million, which included mill modification, mine site exploration, Rimpi and Sisar area development, underground development and sustaining capital costs, but excludes capitalized drilling.

The Company expects capital expenditures during 2017 at the Kittila mine to be approximately $76.8 million, excluding capitalized drilling.

Development

In 2016, underground development continued in both the Suurikuusikko and Rouravaara mining areas. A total of 14,415 metres of ramp and sublevel access development were completed during the year. A total of 187,790 tonnes of ore from development and 1,465,184 tonnes of stope ore were mined in 2016. The Company expects to complete approximately 17,084 metres of lateral development (excluding the Rimpi area) and 1,258 metres of vertical development during 2017.

Geology, Mineralization, Exploration and Drilling

Geology

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

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

Mineralization

The Porkonen Formation hosts the Kittila gold deposit, which contains multiple mineralized zones stretching over a strike length of more than 25 kilometres. Most of the work at the Kittila mine has been focused on the 4.5-kilometre stretch that hosts the known gold in mineral reserves and mineral resources. From north to south, the zones are Rimminvuoma ("Rimpi-S"), the deep extension of Rimminvuoma ("Rimpi Deep"), North Rouravaara ("Roura-N"), Central Rouravaara ("Roura-C"), depth extension of Rouravaara and Suurikuusikko ("Suuri/Roura Deep"), Suurikuusikko ("Suuri"), Etela and Ketola. The Suuri and Suuri/Roura Deep zones include several parallel sub-zones that have previously been referred to as Main East, Main Central and Main West. The Suuri zone hosts approximately 15% of the current probable gold reserve estimate on a contained-gold basis, while Suuri Deep has approximately 21%, Roura-C approximately 4%, Roura Deep approximately 27%, Rimpi Deep approximately 28% and Rimpi-S approximately 5%.

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 and Drilling

In 2016, proven and probable gold reserves increased by approximately 125,915 ounces to 4.48 million ounces of gold (30.06 million tonnes of ore grading 4.64 grams per tonne), after producing 202,508 ounces of gold (236,317 ounces in situ gold mined). This increase was primarily due to successful conversion of mineral resources to mineral reserves in the Sisar Zone. Measured and indicated mineral resources at December 31, 2016 increased by 4.8 million tonnes from 2015 to 20.7 million tonnes of ore grading 2.92 grams of gold per tonne due to successful exploration and conversion drilling in the Roura and Rimpi deep zones. Inferred mineral resources decreased by 0.77 million tonnes from 2015 to 11.06 million tonnes of ore grading 4.05 grams of gold per tonne.

Diamond drilling is used for exploration on the Kittila property. In 2016, all of the work on the mining licence area focused on the Roura, Rimpi and Sisar areas. From 1987 through the end of 2016, a total of 4,520 drill holes, totaling 895,000 metres, have been completed on the property. A total of 486 drill holes were completed in 2016 for a length of 59,900 metres. Of these drill holes, 399 holes (26,585 metres) were for delineation drilling, 26 holes (6,922 metres) were for conversion drilling and 55 holes (24,930 metres) were related to mine exploration. Total expenditures for diamond drilling in 2016 were €8.3 million, including €0.73 million for conversion drilling and €5.52 million for exploration.

In 2016, a total of 19 exploration drill holes, totaling 4,634 metres, were drilled on the Kuotko mining licence area. Total expenditures for the exploration drilling carried out in the Kuotko area in 2016 were $€0.67 million. At the end of 2016, the Kuotko deposit contained inferred mineral resources of 0.4 million tonnes of ore grading 2.88 grams of gold per tonne.

Outside of the Kittila and Kuotko mining licence areas, systematic diamond drilling and target-focused ground geophysics continued along the Suurikuusikko Trend, and a number of new targets were tested by diamond drilling in 2016. A total of 19 diamond drill holes, totaling 4,479 metres, were drilled on exploration targets outside of the mining licence area in 2016, at a cost of $2.2 million.

The 2017 exploration budget for the Kittila mine is approximately €8.38 million (for 40,000 metres of minesite exploration drilling and 8,000 metres of resource conversion drilling). This drilling is planned to further explore the Kittila mineral reserve and mineral resource potential and to evaluate the potential to develop the Sisar Zone as a new mining horizon at Kittila. In addition, €0.62 million of exploration expenditures, including 6,000 metres of diamond drilling, is planned in 2017 for further exploration on the Kuotko area. Outside of the mining licence areas, $3.7 million of exploration expenditures, including 7,000 metres of diamond drilling, is planned in 2017 for exploration along the Suurikuusikko, Kapsa and Hanhimaa Trends.

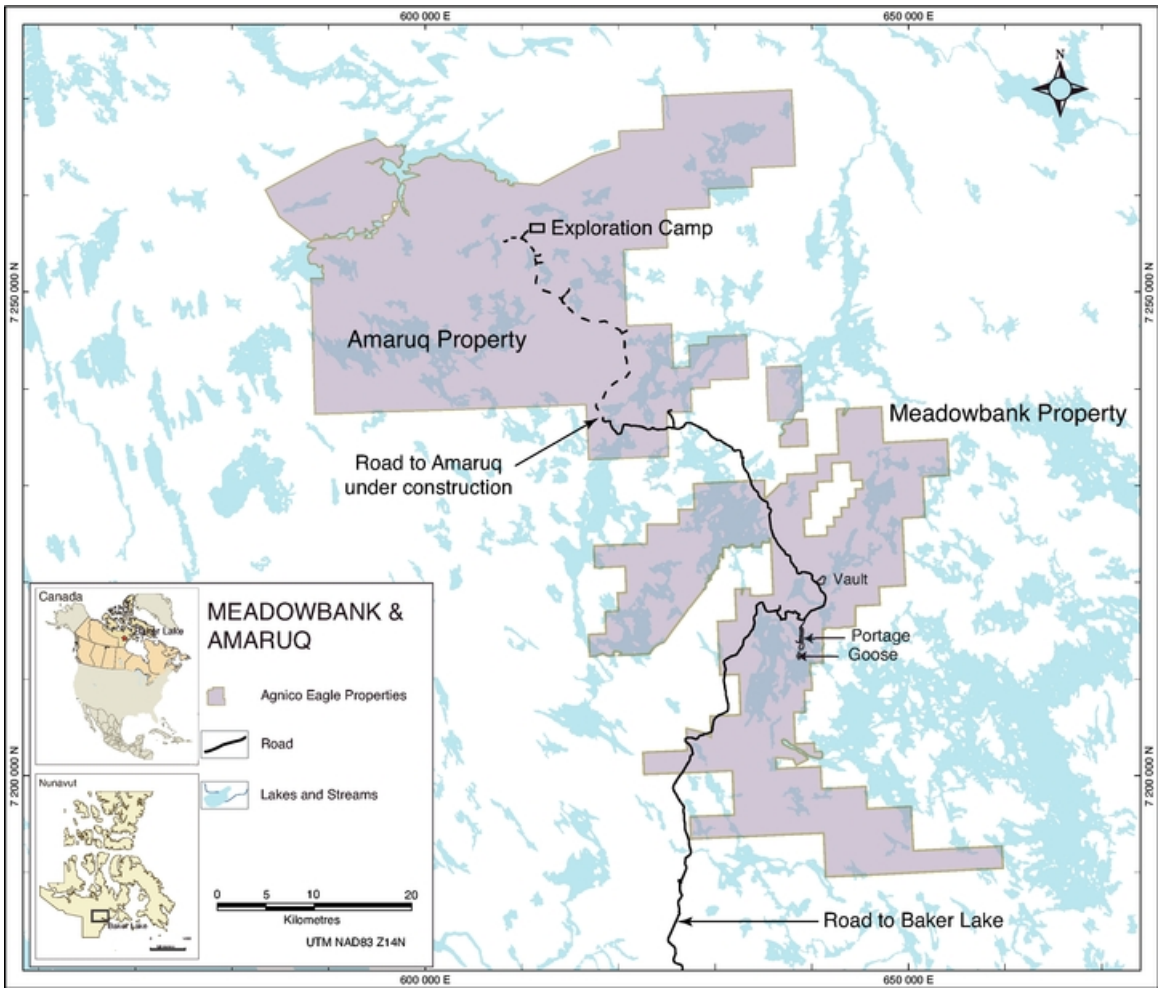
Meadowbank Mine

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, 2016, the Meadowbank mine was estimated to contain proven and probable mineral reserves of 0.71 million ounces of gold comprised of 8.2 million tonnes of ore grading an average of 2.69 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.

In 2016, the Company completed an internal technical study on the Amaruq satellite deposit at Meadowbank, which is located 50 kilometres northeast of the Meadowbank mine. Based on this study, the Company has approved the project for

development pending the receipt of the required permits, which are currently expected to be received by the second quarter of 2018.

Location Map of the Meadowbank Mine, Including Amaruq (as at December 31, 2016)



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 production lease with the Kivalliq Inuit Association ("KIA") is a surface lease 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 the Department of 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.

Meadowbank holds two mineral exploration agreements granted by Nunavut Tunngavik Inc. ("NTI"), the corporation responsible for administering subsurface mineral rights on Inuit owned lands in Nunavut. In 2017, exploration concessions covering the Vault and Amaruq deposits will require annual rental fees of C$113,442 and C$81,678,

respectively. 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.

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. 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. This production lease is in the process of being amended to include a part of the Phaser Lake and BB Phaser pits.

The 40 Crown mineral claims 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 $7,254 in land fees were paid and $4,426,941 in assessment work was submitted.

In December 2016, the Amaruq project received an amended type B water license authorizing the development and construction of a portal/ramp and associated infrastructure. A commercial lease with the KIA authorizes the construction and operation of the exploration camp and exploration activities in a defined area. An exploration permit with the KIA authorizes the exploration activities that are located outside the commercial lease area.

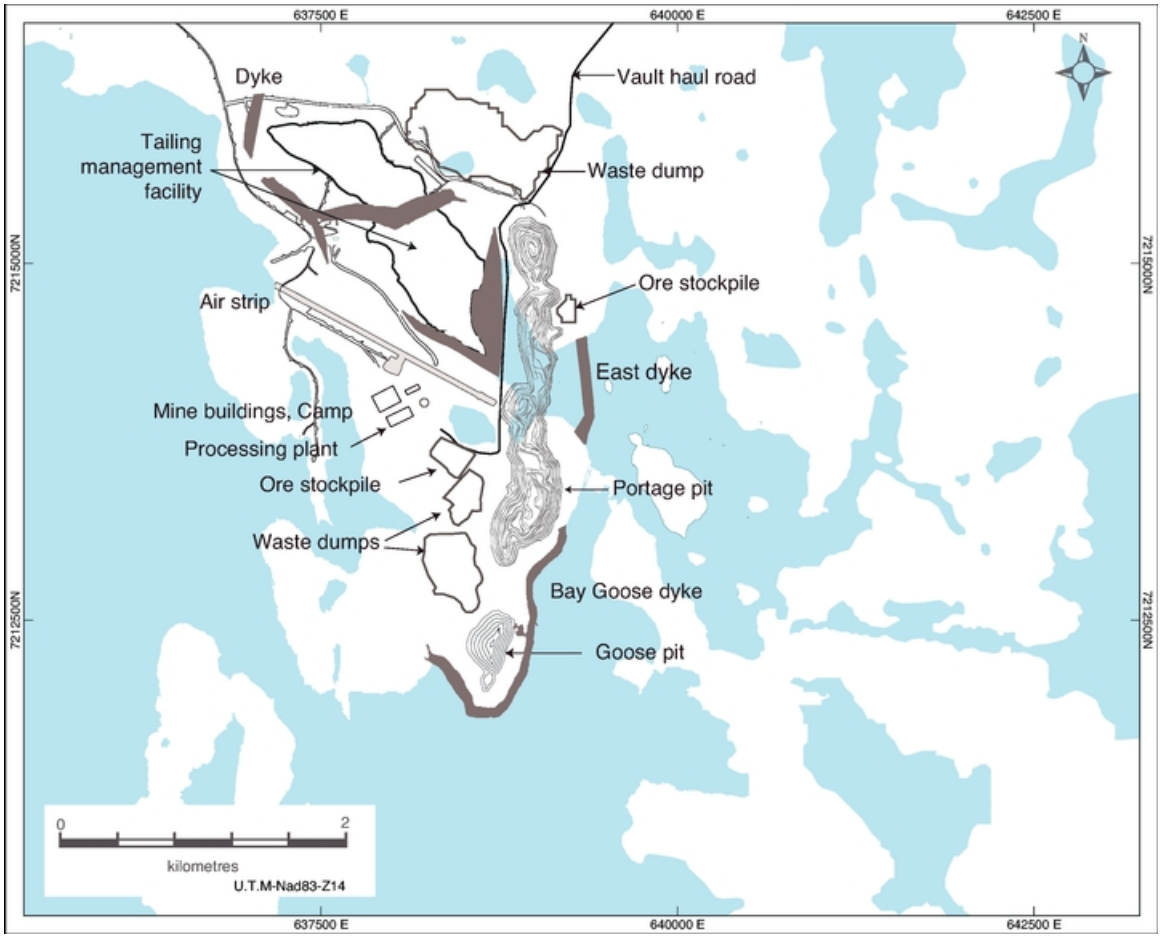
The Meadowbank area is considered to have an arid arctic climate with temperatures ranging from five to minus 40 degrees Celsius in the winter (from October to May) and from minus five to 25 degrees Celsius throughout the summer (from June to September). Surface geological work can be carried out from mid-May to mid-October, while mining, milling and exploration drilling can take place throughout the year, though outdoor work can be hampered in December and January by the cold and darkness.

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

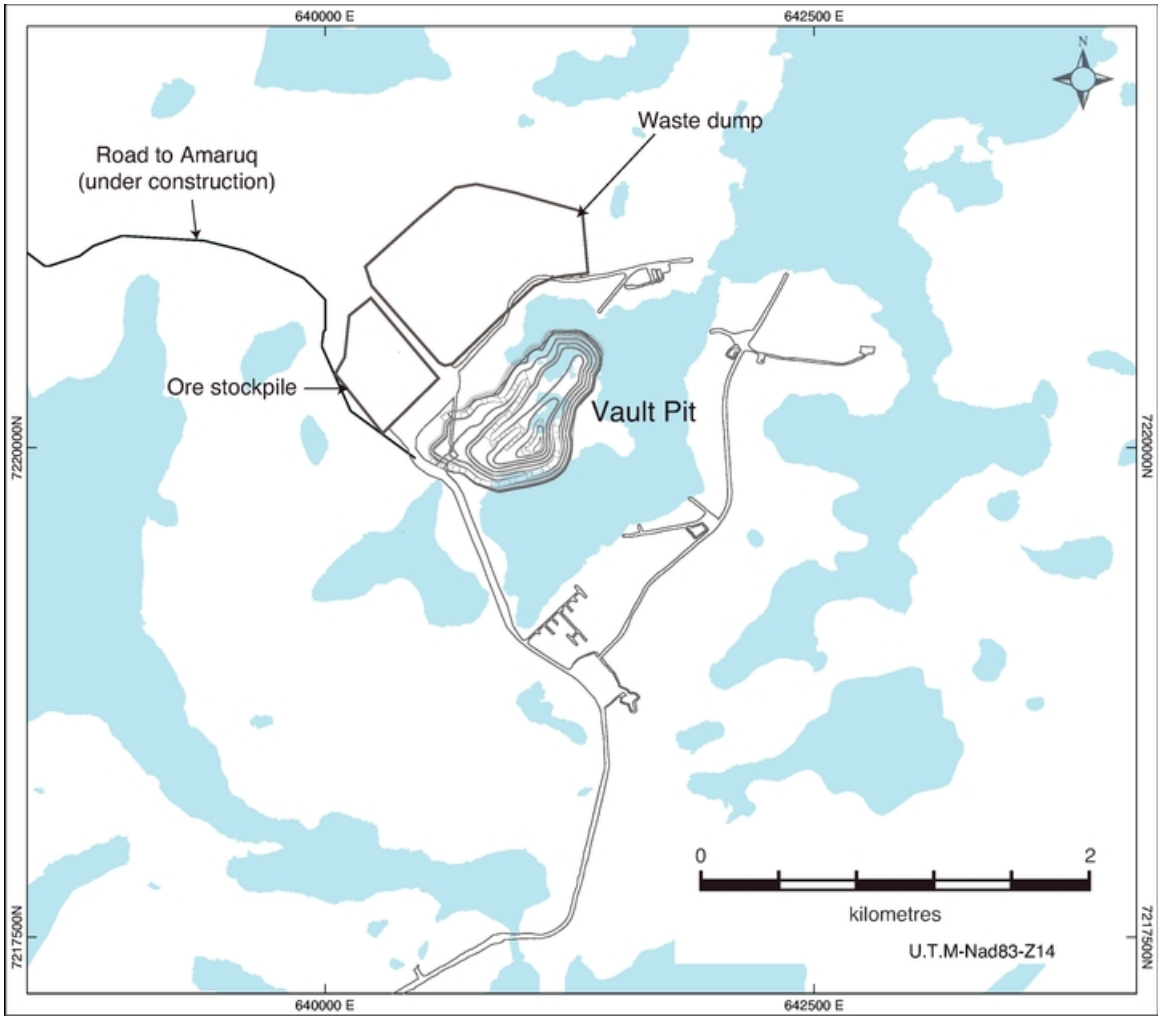
The Company is currently building a 64-kilometre road from the Meadowbank site to the Amaruq deposit. This road is expected to be completed as an exploration road by the fourth quarter of 2017, with expansion to a production road once all of the necessary permits are received. The Company expects that the ore from the Amaruq deposit will be hauled to the Meadowbank mill using off-road type trucks, and the mill is expected to operate at 9,000 tonnes per day. The mill will require minor modifications, specifically the addition of a continuous gravity and regrind circuit, in order to process the ore from the Amaruq deposit.

Mining and Milling Facilities

Surface Plan of the Meadowbank Mine (as at December 31, 2016)



Surface Plan of the Vault Deposit (as at December 31, 2016)



All required aggregates used in the mining process are produced from waste material taken from the Portage and Vault pits. 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. The final elevation of Stormwater dyke was completed in 2014. Construction of the main tailings impoundment dyke, Central Dyke, began in 2012. Additional phases of construction on the Central Dyke are expected to continue throughout the mine life. Construction of the eight-kilometre long access road to the Vault pit began in 2012 and was completed in 2013.

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 $1,100 per ounce, but which has the potential to increase the mineral reserves at the end of the mine life if the then current metal prices makes its processing economical) is stockpiled separately. Also, stockpiles of low-grade material currently lower than the mill feed grade have been created. The majority of this low-grade material was processed in 2014. The remainder will be processed at the end of the mine life. 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 commercial production at the Vault pit was achieved in April 2014. The area surrounding the Vault pit has two smaller areas that are being developed as future pits: the Phaser and BB Phaser pits. These pits are expected to begin operation in the third quarter of 2017. Mining operations at the Goose pit ceased in 2015. Mining operations at the Vault pit are expected to cease in 2018 and at the Portage pit (including the Portage extension) are expected to cease in 2019.

Mining at the Amaruq satellite deposit at Meadowbank will be done by open pit method using excavators and trucks and ore will be hauled by truck to the mill at Meadowbank for processing. Commercial production is expected to be achieved in the third quarter of 2019 at Amaruq for the Whale Tail pit.

Surface Facilities

Site facilities include a mill building, a mechanical shop, a powerhouse 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 26.4-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.

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

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

In 2013, new facilities were built near the Vault deposit, which is located approximately eight 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.

In 2015, the exploration group was relocated to the Amaruq satellite deposit to a separate camp with a 125-person capacity. The camp is supported by sewage treatment, solid waste disposal and a potable water plant. In addition, three temporary buildings act as a warehouse, a maintenance shop and a core shack.

The process design at Meadowbank 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 was designed to operate year-round, with an annual design capacity of 3.1 million tonnes (8,500 tonnes per day). The addition of a secondary crusher in early summer 2011 increased the overall processed tonnes capacity in the mill to 3.6 million tonnes per year (9,840 tonnes per day). Since the installation of the permanent secondary crusher in June 2011, the plant has consistently exceeded 8,500 tonnes per day. Based on projections from metallurgical tests work, the overall gold recovery is projected to be approximately 91.2% for the life-of-mine, with approximately 18% gold recovered from the gravity circuit.

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 2016, the Meadowbank mine had payable production of 312,214 ounces of gold from 3.92 million tonnes of ore grading 2.70 grams of gold per tonne. The production costs per ounce of gold produced at Meadowbank in 2016 were $701. The total cash costs per ounce of gold produced at Meadowbank in 2016 were $715 on a by-product basis and were $727 on a co-product basis. The Meadowbank processing facility averaged 10,697 tonnes per day and operated approximately 94.9% of available time. Gold recovery averaged 91.93%. The production costs per tonne at Meadowbank were C$73 and the minesite costs per tonne were C$74 in 2016.

The following table sets out the metal recoveries at the Meadowbank mine in 2016. Mill processing exceeded extraction from the mine in 2016 as 0.23 million tonnes came from the marginal stockpile.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.70 g/t	91.93%	312,214 oz

Gold production during 2017 at Meadowbank is expected to be approximately 320,000 ounces from 3.9 million tonnes of ore grading 2.85 grams of gold per tonne at estimated total cash costs per ounce of approximately $683 on a by-product basis, with estimated gold recovery of 90.0%. Minesite costs per tonne of approximately C$73 are expected in 2017.

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

The development of the Meadowbank mine was subject to an extensive environmental review process under the Nunavut Land Claims Agreement (the "NLCA") 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. This water licence was renewed in 2015 for a period of ten years.

In February 2007, a predecessor to the Company and the Nunavut government signed a Development Partnership Agreement (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.

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.

Permitting for the operation of the Amaruq satellite deposit at Meadowbank is ongoing with the NIRB and the NWB. Public hearings are expected to be held in the third quarter of 2017 and the project certificate and water licence are expected to be approved by the third quarter of 2017.

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 for waste rock storage includes freeze control of the waste rock through permafrost encapsulation and capping with an insulating convective layer of neutralizing rock (ultramafic and non-acid generating volcanic rocks). The Vault rock storage facility does not require an insulating convective layer due to the non-acid

generating nature of the rock in that area. Waste rock deposited in the Portage pit will be covered with water during the closure phase of the pit, which will prevent any acid generation. Because the site is underlain by greater than 400 metres of permafrost, the waste rock below the capping layer is expected to freeze, resulting in low (if any) rates of acid rock drainage generation in the long term.

Tailings 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 isolated by the central dyke and a series of five saddle dams. A reclamation pond is located within the tailings storage facility. Deposition of tailings began in the south cell in the fourth quarter of 2014. Tailings deposition was completed in the north cell in 2015 and reclamation capping has commenced. The control strategy to minimize water infiltration into the tailings storage facility and the migration of constituents out of the facility includes freeze control of the tailings through permafrost encapsulation and through comprehensive, engineered dyke liners. A minimum two-metre thick dry cover of acid neutralizing ultramafic rock backfill will be placed over the tailings as an insulating convective layer to confine the permafrost active layer within relatively inert tailings materials.

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 divert clean runoff water away from areas affected by the mine or mining activities. Following a field investigation in 2014, a contact water interception trench was constructed to collect seepage water downgradient from the mill prior to entering into the nearby lake. All contact water originating from the mine site or mill is intercepted, collected and conveyed to the tailings storage facility for reuse in process. There is no discharge of contact water from the mine site or the Portage pit area to offsite receiving water bodies. All contact water generated at the Vault pit area, including the Vault Waste Rock Storage Facility, is conveyed to the Vault Attenuation Pond and discharged to nearby Wally Lake. There is treatment for removal of solids (if needed) prior to release to Wally Lake.

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

An interim closure and reclamation plan was submitted in 2014 as a requirement of part of the NWB Type A water licence and financial assurance was provided and updated in July 2015 as part of the water licence renewal process. In 2013, the Company applied to the NWB for an increase in freshwater consumption and received the amendment to the Type A licence on July 23, 2014.

In 2015, an amendment to the project certificate was requested for the mining of the Phaser pit, a satellite pit in the Vault pit area and the approval was received in the third quarter of 2016.

In 2015, Environment Canada charged the Company with two infractions under the *Fisheries Act* in relation to a seepage incident at the Meadowbank mine that was identified during a July 2013 on-site inspection. Monitoring data indicated that the 2013 seepage event did not affect the water quality of the downstream Second Portage Lake. Discussions are underway to attempt to resolve the matter but, if unsuccessful, a trial would not likely occur until 2018.

Capital Expenditures/Development

In 2016, the Company incurred approximately $38.8 million in capital expenditures at the Meadowbank mine excluding capitalized drilling. In addition, approximately $40 million was spent on exploration studies, road construction and permitting at the Amaruq satellite deposit at Meadowbank.

In 2016, the Company completed an internal technical study on the Amaruq satellite deposit at Meadowbank. The following table sets out a summary of key estimates and parameters of the Amaruq satellite deposit at Meadowbank.

Indicated mineral resources (Open Pit)	16.9 million tonnes of ore grading 3.88 g/t gold (2.1 million oz)
Inferred mineral resources (Open Pit)	4.9 million tonnes of ore grading 4.81 g/t gold (763,000 oz)
Inferred mineral resources (Underground)	6.8 million tonnes of ore grading 6.22 g/t gold (1.4 million oz)
Estimated production over mine life	1,980,000 oz
Estimated average metallurgical recovery	Approximately 93%
Estimated average annual gold production	Approximately 135,000 ounces based on 4 to 5 months of production (year 1)
	Approximately 255,000 ounces (year 2)
	Approximately 300,000 ounces (year 3)
	Approximately 430,000 ounces (years 4 – 6)
Estimated average annual mill throughput	Approximately 1,279,000 tonnes based on 4 to 5 months of production (year 1)
	Approximately 2,987,000 tonnes (year 2)
	Approximately 3,265,000 tonnes (year 3)
	Approximately 3,285,000 tonnes (years 4 – 6)
Estimated mine life	Approximately 6 years
Estimated initial capital costs to the first ounce produced	Approximately $330 million
Estimated sustaining capital costs	Approximately $25 million per year
Estimated reclamation costs	Approximately $16 million
	Economic Analysis:
	$1,200 per ounce gold
	US$/C$ exchange rate of $1.25
	Statutory income tax rate: Approximately 26%

In 2017, a total of $93.4 million has been budgeted to be spent at the Meadowbank mine, excluding capitalized drilling, which includes $73.1 million at the Amaruq deposit.

Geology, Mineralization, Exploration and Drilling

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 mineable 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. In addition, the Amaruq property will be developed as a satellite operation to the

Meadowbank mine.

Mineralization

The predominant gold mineralization found in the Portage and Goose deposits is associated with iron sulphides, 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 specks or as plating around sulphide grains. The ore zones are typically six to seven 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.

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. An additional 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.

The Amaruq deposit is located 50 kilometres northwest of the Meadowbank complex. It is a folded deposit with a defined strike of 1.6 kilometres. Three contrasting styles of mineralization coexist on the Amaruq property. In all three styles, gold is found associated with pyrrhotite and/or arsenopyrite as 25- to 50-micron inclusions or grains along fractures, or simply as free grains in a quartz-rich gangue.

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

Exploration and Drilling

Exploration efforts on the Meadowbank property have been extensive since 1985, including geophysics, prospecting, till sampling and drilling, mainly by diamond drill but also reverse circulation. From 1985 until Agnico Eagle acquired the property in 2007, 126,796 metres were drilled in 916 diamond and reverse circulation drill holes on the property. In 2005, Cumberland (the previous owner) estimated mineral resources in the Portage, Goose and Vault deposits combined as follows: measured and indicated mineral resources of 23.3 million tonnes of ore grading 4.40 grams per tonne of gold (containing 3.3 million ounces of gold) and inferred mineral resources of 3.5 million tonnes of ore grading 4.20 grams per tonne of gold (containing 0.5 million ounces of gold).

In 2016, the amount of gold in proven and probable mineral reserves decreased by approximately 215,000 ounces to 0.71 million ounces of gold (8.2 million tonnes of ore grading 2.69 grams per tonne) after producing 312,214 ounces of gold (304,000 ounces of in situ gold mined). The net decrease was primarily due to the mine depletion, partially offset by the conversion of mineral resources to mineral reserves in the extensions of Portage Pit E3 and Vault South Pit. Measured and indicated mineral resources at the Meadowbank mine decreased by 3.3 million tonnes to 3.7 million tonnes grading 2.07 grams of gold per tonne. Inferred mineral resources decreased by 2.3 million tonnes to 1.1 million tonnes grading 3.13 grams of gold per tonne.

In 2016, diamond drilling at Meadowbank was conducted in both the Vault and the Portage pits. At Vault, 20 holes were drilled for a total length of 975 metres in order to complete 25 × 25 metre drill spacing in the Phaser and BB Phaser pits. This drilling confirmed the previous mineral resource estimate. At Portage, 14 holes were drilled in Pit E3 for a total length of 981 metres to convert indicated mineral resources to probable mineral reserves in the E4 pushback of the pit and 11 holes were drilled in Pit A for a total of 501 metres to confirm high grade intersections in previous drill holes. The total cost of drilling in 2016 amounted to $0.43 million. In 2017, 1,500 metres of infill drilling is planned in the Vault, Phaser and BB Phaser pits.

Also in 2016, diamond drilling was conducted at the Amaruq satellite deposit at Meadowbank. 520 holes were drilled for a total length of 127,751 metres. Within the IVR area, 267 holes were completed (65,797 metres) on extension and conversion of V zones and exploration targets. Drilling along the Mammoth trends included 125 holes (25,235 metres). Drilling at Whale Tail included 128 holes (36,720 metres) for conversion, extension and exploration drilling. In addition, 11 engineering drill holes were completed (2,222 metres). In 2017, 75,000 metres of diamond drilling are planned for exploration, conversion and engineering purposes.

Meliadine Project

The Meliadine project is an advanced exploration/development property located near the western shore of Hudson Bay in the Kivalliq region of Nunavut, approximately 25 kilometres north of the hamlet of Rankin Inlet and 290 kilometres southeast of the Meadowbank mine. The closest major city is Winnipeg, Manitoba, approximately 1,500 kilometres to the south. In February 2017, the Company's Board of Directors approved the construction of a mine at the Meliadine project. Commercial production at Meliadine is expected in the third quarter of 2019.

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

The mineral reserves and mineral resources of the Meliadine project are estimated at December 31, 2016 to contain proven and probable mineral reserves of 3.4 million ounces of gold comprised of 14.5 million tonnes of ore grading 7.32 grams of gold per tonne. In addition, the project has 20.8 million tonnes of indicated mineral resources grading 4.95 grams of gold per tonne and 14.7 million tonnes of inferred mineral resources grading 7.51 grams of gold per tonne.

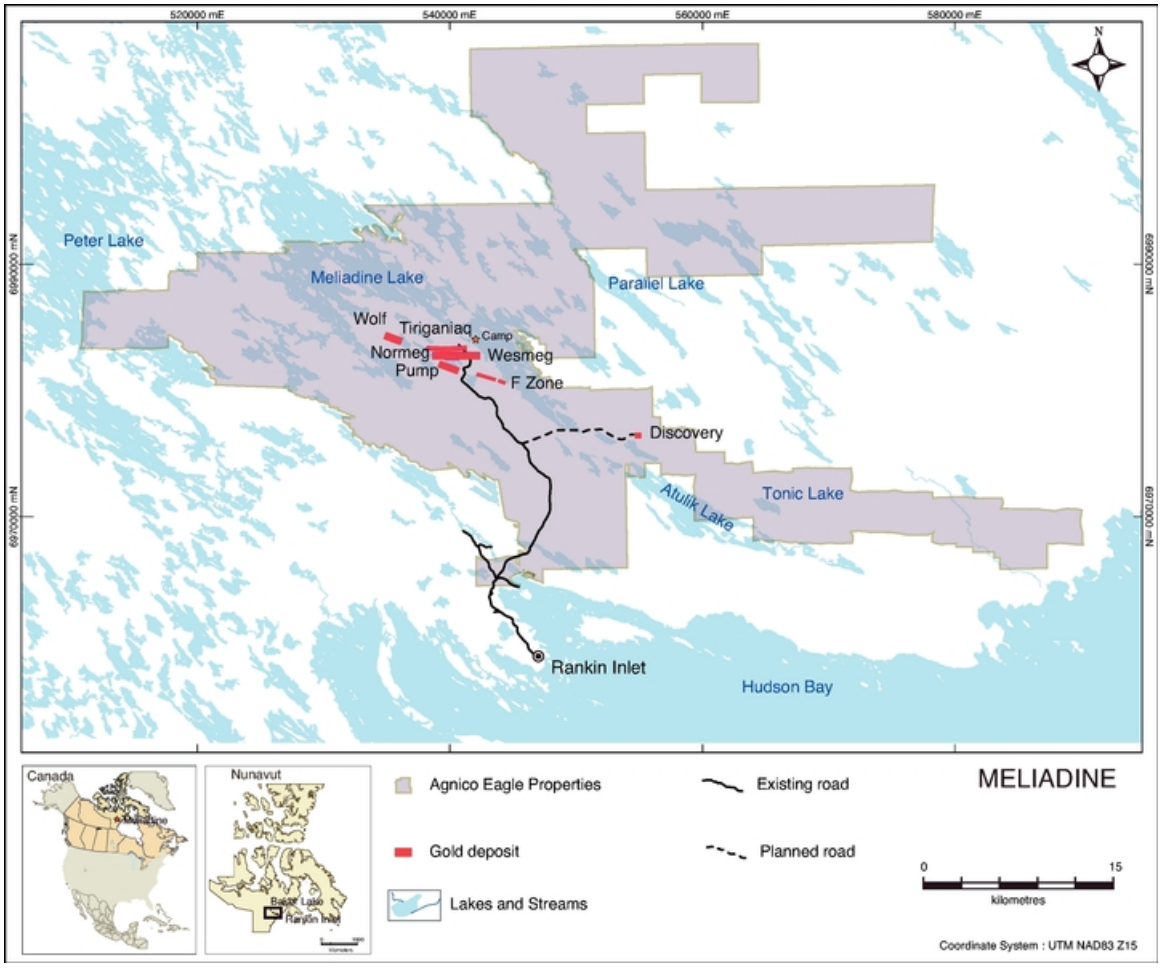
The Meliadine property is a large land package that is nearly 80 kilometres long. It consists of mineral rights, a portion of which are held under the *Northwest Territories and Nunavut Mining Regulations* and administered by Aboriginal Affairs and Northern Development Canada and referred to as Crown Land. The Crown Land is made up of mining claims and mineral leases. There are also subsurface NTI concessions administered by a division of the Nunavut territorial government. In 2016, approximately C$125,000 was paid to Indigenous and Northern Affairs Canada for the mining lease. NTI requires annual rental fees of approximately C$75,000 and exploration expenditures of approximately C$250,000.

The Kivalliq region has an arid arctic climate. 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 sealift by barge to Rankin Inlet via Hudson Bay. Ocean-going barges from Churchill, Manitoba or eastern Canadian ports can access the community from late June to early October. Churchill, which is approximately 470 kilometres south of Rankin Inlet, has a deep-water port facility and a year-round rail link to locations to the south.

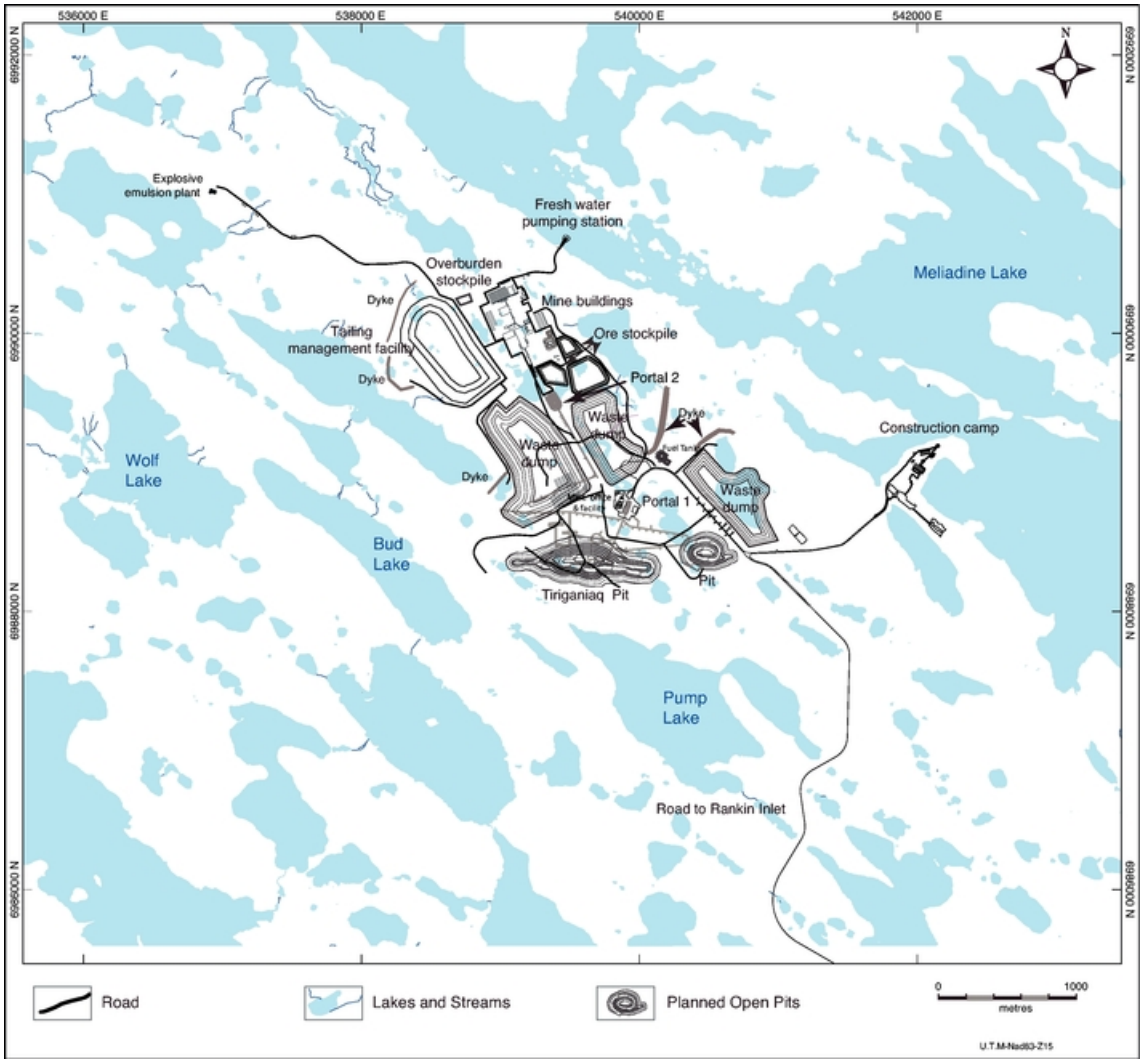
In October 2013, the Company completed construction of a 23.8-kilometre-long all-weather gravel road linking Rankin Inlet with the project site. This road was constructed to support ongoing exploration activities at the Meliadine property and significantly reduces the transportation and logistical costs for exploration and development work.

Location Map of the Meliadine Project (as at December 31, 2016)



Facilities

Surface Plan of the Meliadine Project (as at December 31, 2016)



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

Mining Methods

The Company anticipates that mining at Meliadine will be carried out through twelve open pits and underground mining operations. It is estimated that approximately 5.5 million tonnes of ore will be extracted from surface mining and 17.4 million tonnes of ore will be extracted by underground mining over a 14-year mine life. It is expected that an additional 2.8 million tonnes of lower grade material from underground development and open pit mining (marginal ore) will be stockpiled for processing at the end of the mine life. Underground access is expected to be by decline, with long-hole mining expected. Each stope will be backfilled, with cemented pastefill used in primary stopes and dry rockfill for the secondary stopes. A conventional truck/shovel operation is anticipated for the open pits.

Surface Facilities

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 five wings of modular trailers that can accommodate up to 250 personnel and includes a kitchen facility, complete with diesel generators.

Power for the exploration camp is currently provided by diesel generators. Potable water for the exploration and operation camps is pumped from Meliadine Lake. Water for the underground operations and surface drill programs is pumped from Pump Lake.

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 collected at the Meliadine project site and then 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 is conducted and reported on a monthly basis to the authorities. The Company is examining saline water treatment strategies.

An underground portal allowing access to an exploration ramp 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 ramp 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.

Pre-construction activities began in the summer of 2016, piling installation and camp construction began in August 2016 and dyke construction and installation of a semi-mobile batch plant commenced in November 2016.

Production and Mineral Recoveries

More than 39 metallurgical test programs have been conducted at the Meliadine project. Based on the results of these test programs, a conventional gold circuit has been recommended, comprising crushing, grinding, gravity separation and cyanide leaching, with a carbon-in-leach circuit (CIL), followed by cyanide destruction and filtration of the tailings for dry stacking.

Global gold recovery at the Meliadine project is estimated to be 96% over the current 14-year life of mine. The mine plan envisions processing an average rate of 3,365 tonnes of ore per day for the first three full years of production, and 5,600 tonnes of ore per day for the remainder of the life of mine, with an estimated plant availability of 92%.

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

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

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

In 2011, the Company 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.

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

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

Capital Expenditures

Total capital expenditures at the Meliadine project in 2016 were $130.9 million, including capitalized surface and underground drilling, ramp development, permitting, camp operation, technical studies and surface earth works.

Capital expenditures of $355.8 million have been budgeted for the Meliadine project in 2017, focused on detailed engineering and procurement, construction of surface infrastructure, ramp development, underground drilling and camp operations.

In 2016, internal studies were carried out to optimize the previous Meliadine mine plan that had been outlined in a NI 43-101 technical report dated February 11, 2015. These internal studies assessed various opportunities to improve the project economics. The following table sets out a summary of the key estimates and parameters of the Meliadine project.

Proven and probable mineral reserves	14.5 million tonnes of ore grading 7.32 g/t gold (3.4 million oz)
Measured and indicated mineral resources	20.8 million tonnes grading 4.95 g/t gold (3.3 million oz)
Inferred mineral resource	14.7 million tonnes grading 7.51 g/t gold (3.6 million oz)
Estimated production over life of mine	5,315,000 oz
Estimated average metallurgical recovery	Approximately 96%
Estimated average annual gold production	Approximately 125,000 ounces based on 4 months of production (year 1)*
	Approximately 375,000 ounces (year 2)
	Approximately 360,000 ounces (year 3)
	Approximately 405,000 ounces (years 4 – 14)
Estimated average annual mill throughput	Approximately 377,000 tonnes based on 4 months of production (year 1)
	Approximately 1,182,000 tonnes (year 2)
	Approximately 1,307,000 tonnes (year 3)
	Approximately 2,049,000 tonnes (years 4 – 14)
Estimated mine life	Approximately 14 years
Estimated initial capital costs to the first ounce produced	Approximately $900 million
Estimated sustaining capital costs	Approximately $48 million per year
Estimated reclamation costs	Approximately $49 million
	Economic Assumptions:
	$1,200 per ounce gold
	US$/C$ exchange rate of $1.25
	Statutory income tax rate: Approximately 26%
	The Meliadine project is subject to a net profits royalty payable in accordance with the *Northwest Territories and Nunavut Mining Regulations*. The royalties are calculated using a graduated rate to a maximum of 13%

* Includes approximately 60,000 pre-production ounces

Development

In 2016, 3,795 metres of horizontal development and 198 metres of vertical development were completed at the Meliadine project. For 2017, the Company expects approximately 5,590 metres of horizontal development (including

approximately 1,060 metres of total ramp development) and approximately 760 metres of vertical development to be completed.

Geology, Mineralization, Exploration and Drilling

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 property.

The Pyke Fault appears to control gold mineralization on the Meliadine property. At the southern edge of the fault is a series of oxide iron formations that host the seven Meliadine 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.

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

Exploration and Drilling

The first mineral resources estimate at Meliadine was made by Strathcona Mineral Services in 2005 for then-owner Comaplex, and comprised indicated mineral resources of 2.5 million tonnes grading 10.8 grams of gold per tonne (containing 853,000 ounces of gold) and inferred mineral resources of 1.1 million tonnes grading 13.2 grams per tonne of gold (containing 486,000 ounces of gold), with all resources in the Tiriganiaq deposit. Following this, there were annual estimates gradually including new deposits, such as Discovery, F Zone, Pump and Wolf. The final mineral resources estimate made before the Company acquired the property was made by Snowden Mining Industry Consultants for Comaplex in January 2010 and it comprised measured and indicated mineral resources of 12.9 million tonnes grading 7.9 grams of gold per tonne (containing 3.3 million ounces of gold) and inferred mineral resources of 8.4 million tonnes grading 6.4 grams of gold per tonne (containing 1.7 million ounces of gold).

Proven and probable gold reserves at Meliadine in 2016 remained 3.42 million ounces of gold (14.5 million tonnes of ore grading 7.32 grams per tonne). Indicated mineral resources at Meliadine in 2016 remained 20.8 million tonnes of ore grading 4.95 grams of gold per tonne. Inferred mineral resources in 2016 remained 14.7 million tonnes of ore grading 7.51 grams of gold per tonne.

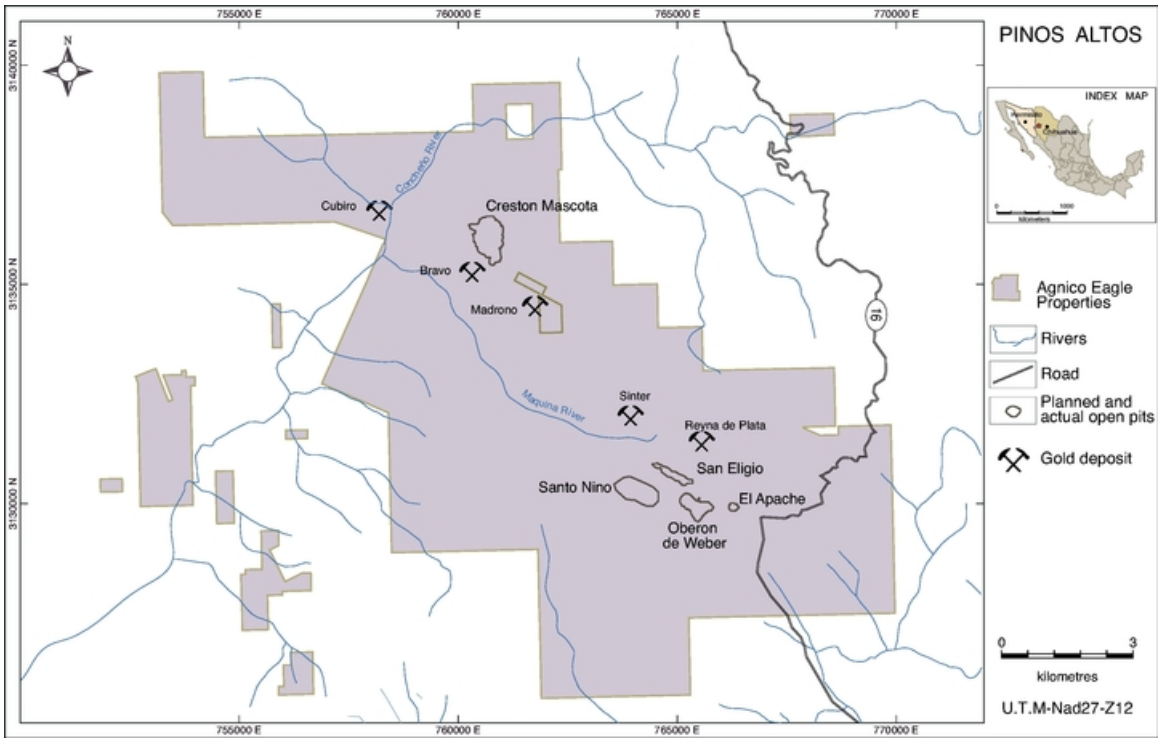
In 2016, the Company spent $0.5 million on 1,200 metres of exploration drilling at Meliadine. The 2017 plan includes spending $3.9 million on conversion drilling (25,900 metres) and $0.8 million on exploration drilling (5,000 metres) at Meliadine.

Southern Business

Pinos Altos Mine

The Pinos Altos mine achieved commercial production in November 2009. It is located in the Sierra Madre gold belt, 285 kilometres west of the City of Chihuahua in the State of Chihuahua in northern Mexico. At December 31, 2016, the Pinos Altos mine was estimated to contain proven and probable mineral reserves of 1.4 million ounces of gold and 38.1 million ounces of silver comprised of 17.4 million tonnes of ore grading 2.55 grams of gold per tonne and 68.2 grams of silver per tonne. The Creston Mascota deposit at Pinos Altos achieved commercial production in the first quarter of 2011. At December 31, 2016, the Creston Mascota deposit was estimated to contain additional proven and probable mineral reserves of 0.1 million ounces of gold and 0.9 million ounces of silver comprised of 2.5 million tonnes of ore grading 1.28 grams of gold per tonne and 11.4 grams of silver per tonne. The Pinos Altos property is made up of two blocks: the Agnico Eagle Mexico Concessions (25 concessions) and the Pinos Altos Concessions (19 concessions).

Location Map of the Pinos Altos Mine (as at December 31, 2016)



Approximately 47% of the current Pinos Altos mineral reserves, including 3% for the Creston Mascota deposit, are subject to a net smelter return royalty of 3.5% payable to Pinos Altos Explotación y Exploración S.A. de C.V. ("PAEyE") and the remaining 53% of the current mineral reserves and mineral resources at Pinos Altos are subject to a 2.5% net smelter return royalty payable to the Servicio Geológico Mexicano, a Mexican Federal Government agency. After 2029, this portion of the property will also be subject to a 3.5% net smelter return royalty payable to PAEyE.

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

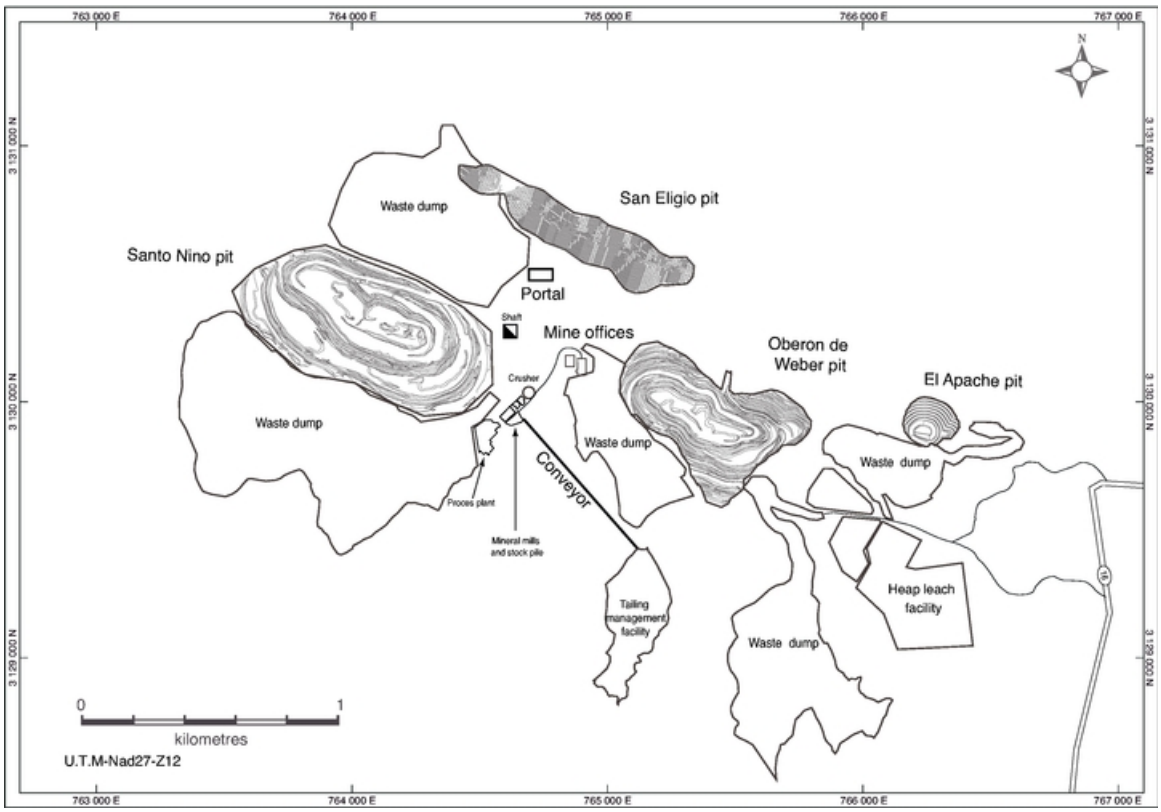
Beginning in 2006, the Company has negotiated with various land owners from the region for the acquisition of 7,670 hectares of land contained within the Agnico Eagle Mexico and Pinos Altos Concessions. The agreements, other than the agreement with respect to the Bravo Zone, expire in either 2028 or 2036. The agreement with respect to the Bravo Zone expires in 2017. The agreements, including the agreement with respect to the Bravo Zone, also provide for further renewal at the Company's option. 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.

In August 2007, the Company approved construction of a mine at Pinos Altos. The mine achieved commercial production in November 2009. In 2009, the Company decided to build a stand-alone heap leach operation at the Creston Mascota deposit at Pinos Altos. 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.

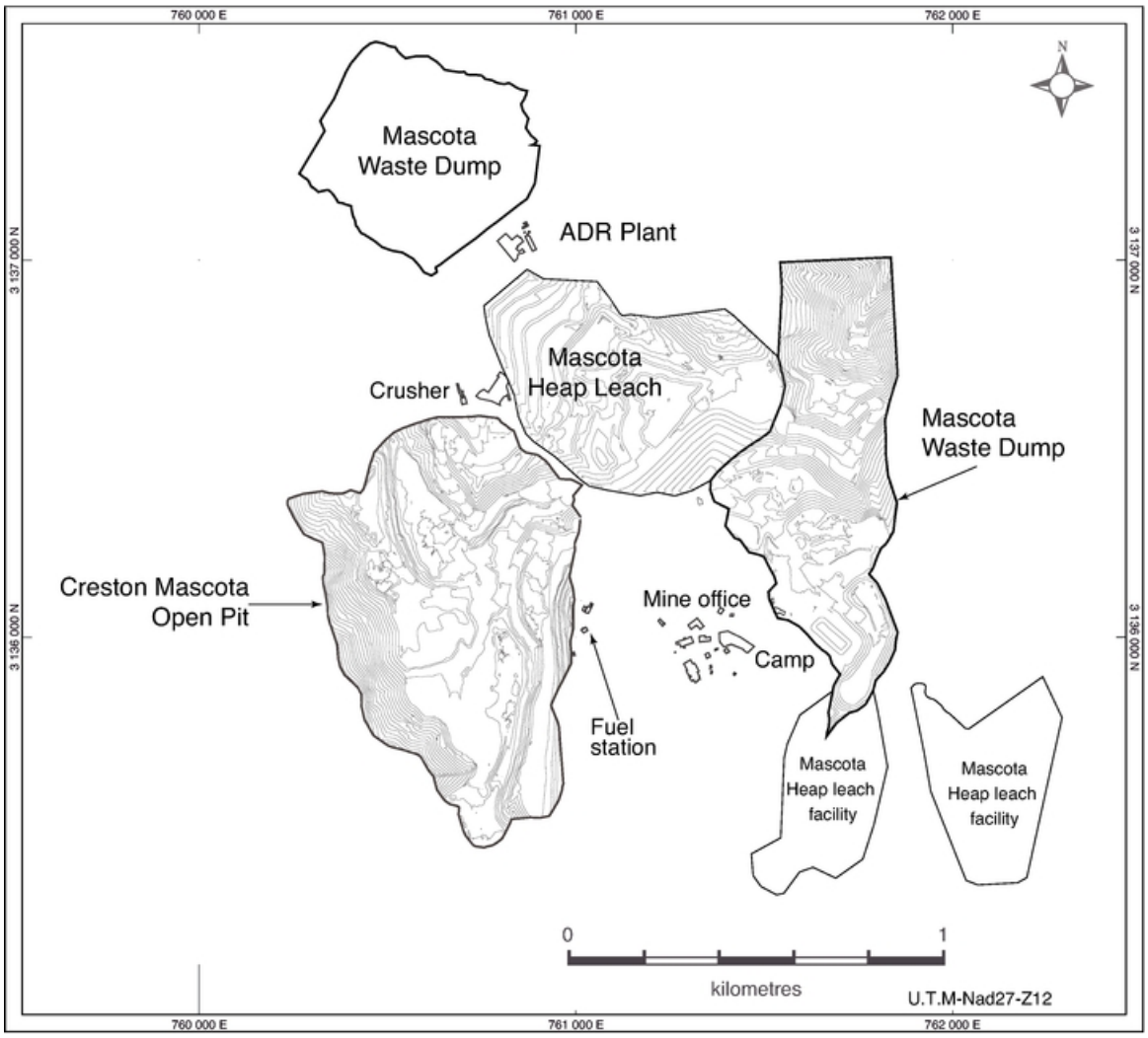
The Company continues to evaluate opportunities to develop other mineral resources that have been identified in the Pinos Altos area as satellite operations.

Mining and Milling Facilities

Surface Plan of the Pinos Altos Mine (as at December 31, 2016)



Surface Plan of the Creston Mascota Deposit at Pinos Altos (as at December 31, 2016)



Milling operations during 2016 at Pinos Altos processed an average of 5,415 tonnes of ore per day as compared to the designed rate of 4,000 tonnes per day. The underground mine at Pinos Altos produced an average of 3,074 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 15.3 million tonnes of ore, overburden and waste in 2016.

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 2016 continues to indicate that the equipment, mining methods and personnel selected for the project are satisfactory for future production phases. 5.2 million tonnes of ore, overburden and waste were mined during 2016.

The underground mine, which commenced operations in the second quarter of 2010, uses the long hole sublevel stoping method to extract ore. The stope height is 30 metres and the nominal stope width is 15 metres. Ore is transported to the surface by shaft hoisting as well as by trucks via a ramp system. The paste backfill system and ventilation system were commissioned in the fourth quarter of 2010. During 2016, approximately 1.2 million tonnes of ore were produced from the

underground portion of the mine, averaging 3,164 tonnes per day. The planned capacity of the underground mine is increasing from the original planned capacity of 3,000 tonnes of ore per day towards 4,500 tonnes of ore per day with the commissioning of a shaft in 2016 and the development of additional underground mineral reserves. The shaft hoisting capacity is expected to reduce the need for additional underground trucks required as the mine depth increases and is expected to continue to maintain mill feed rates at 4,500 tonnes of ore per day in future years as the open pit mines at Pinos Altos become depleted. Approximately 57 kilometres of total lateral development have been completed as of December 31, 2016.

Surface Facilities

The principal mineral processing facilities at the Pinos Altos mine were designed to process 4,000 tonnes of ore per day in a conventional process plant circuit which includes single stage crushing, grinding in a SAG and ball mill in closed loop, gravity separation followed by agitated leaching, counter-current decantation and metals recovery in the Merrill-Crowe process. Tailings are detoxified and filtered and then used for paste backfill in the underground mine or deposited as dry tailings in an engineered tailings impoundment area. The Pinos Altos mill processed an average of 5,415 tonnes of ore per day during 2016. 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 mine. The production from heap leach operations is expected to be relatively minor, contributing approximately 1% of total metal production planned for the remaining life of the mine (not including production from the Creston Mascota heap leach operation). In addition, during 2016, the Company approved the construction of a silver flotation plant, which is expected to increase silver recovery.

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

A separate heap leach operation and ancillary support facilities were built at the Creston Mascota deposit, which 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 2016, a total of 2.0 million tonnes of ore was mined from the Creston Mascota deposit, averaging 5,520 tonnes per day. In the fourth quarter of 2016, work on the Phase IV leach pad expansion was completed with stacking of material expected to begin in the first quarter of 2017. Based on performance of the mine and process facilities at the Creston Mascota deposit to date, the equipment, mining methods and personnel are satisfactory for completion of the planned production phases.

Over the remaining life of the mine, recoveries of gold and silver in the milling circuit at Pinos Altos (other than from the Creston Mascota deposit) are expected to average approximately 93% and 43%, respectively. The Company anticipates precious metals recovery from low grade ore processed in the Pinos Altos heap leach facility will average 68% for gold and 12% for silver. Heap leach recoveries for ore from the Creston Mascota deposit are expected to average 63% for gold and 8% for silver.

Production and Mineral Recoveries

During 2016, the Pinos Altos mine, including the Creston Mascota deposit, had total payable production of 240,068 ounces of gold and approximately 2.7 million ounces of silver from the Pinos Altos mill and the heap leach pads at the Pinos Altos mine and the Creston Mascota deposit.

Of the total in 2016, the Pinos Altos mill had payable production of 183,576 ounces of gold and 2.4 million ounces of silver from 2.0 million tonnes of ore grading 3.0 grams of gold per tonne and 80.0 grams of silver per tonne. The production costs per ounce of gold produced at Pinos Altos in 2016 were $594. The total cash costs per ounce of gold produced at Pinos Altos in 2016 were $356 on a by-product basis and were $585 on a co-product basis and the processing facility averaged 5,415 tonnes of ore per day and operated 92.6% of available time. In the mill, gold recovery averaged 94.9% and silver recovery averaged 50%. The production costs per tonne at Pinos Altos were $51 and the minesite costs per tonne were $49 in 2016.

The following table sets out the metal recoveries at the Pinos Altos mill in 2016.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	3.0 g/t	94.9%	183,576 oz
Silver	80.0 g/t	50%	2.4 million oz

Of the 2016 total, the Pinos Altos heap leach operations had payable production of 9,196 ounces of gold and 89,425 ounces of silver from 278,000 tonnes of ore grading 0.9 grams of gold per tonne and 28.0 grams of silver per tonne.

The cumulative recovery for gold and silver on the heap leach pad at Pinos Altos are approximately 75% and 16%, 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.

Of the 2016 total, the heap leach operations at the Creston Mascota deposit had payable production of 47,296 ounces of gold and 201,243 ounces of silver from 2.1 million tonnes of ore grading 1.10 grams of gold per tonne and 12.0 grams of silver per tonne. The production costs per ounce of gold produced at the Creston Mascota deposit in 2016 were $578. The total cash costs per ounce of gold produced at the Creston Mascota deposit in 2016 were $516 on a by-product basis and were $588 on a co-product basis. The production costs per tonne at the Creston Mascota deposit were $13 and the minesite costs per tonne were $13 in 2016.

The cumulative metals recovery for gold and silver on the heap leach pad at the Creston Mascota deposit are approximately 60% and 14%, respectively. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate recovery of 62% for gold and 11% for silver will be achieved when leaching is completed.

Production during 2017 at the Pinos Altos mine (excluding Creston Mascota) is expected to be approximately 170,000 ounces of gold and 2.6 million ounces of silver from 2.2 million tonnes of ore grading 2.52 grams of gold per tonne and 71.0 grams of silver per tonne, at estimated total cash costs per ounce of gold of approximately $474 on a by-product basis, with estimated gold recovery of 95.0% and silver recovery of 52.9%. Minesite costs per tonne of approximately $55 for milled ore are expected in 2017. The heap leach at the Creston Mascota deposit is expected to produce approximately 40,000 ounces of gold and 0.1 million ounces of silver from 2.0 million tonnes of ore grading 1.01 grams of gold per tonne and 11.5 grams of silver per tonne, at estimated total cash costs per ounce of gold of approximately $812 on a by-product basis, with estimated gold recovery of 61.8% and silver recovery of 13.8%. Minesite costs per tonne of approximately $17 for Creston Mascota heap leach ore are expected in 2017.

Environmental, Permitting and Social Matters

The Pinos Altos mine has received the necessary permit authorizations for construction and operation of a mine, including a Change of Land Use permit and an Environmental Impact Study approval from the applicable Mexican environmental agency. Pinos Altos uses 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. Since 2015, tailings have been deposited in a tailings facility that was constructed in the mined out Oberon du Weber pit.

Following an audit process by an independent third party, the operations at both the Pinos Altos mine and the Creston Mascota deposit received the "Industria Limpia" certification from the Mexican environmental authorities. This certification is based on compliance with environmental requirements. The Pinos Altos mine has also received certification under the International Cyanide Management Code (the "Cyanide Code").

The Company has engaged the local communities in the area with hiring, local contracts, education support, infrastructure projects and medical support programs to ensure that the mine provides long-term benefits to the residents living and working in the region. Approximately 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.

Capital Expenditures

Combined capital expenditures at the Pinos Altos mine and Creston Mascota deposit during 2016 were approximately $68.9 million, excluding capitalized drilling. Combined capital expenditures included sustaining capital for shaft construction and commissioning, underground equipment major components, silver flotation plant, Creston Mascota phase 4 leach pad and pond and Oberon de Weber tailings dam.

In 2017, the Company expects capital expenditures at Pinos Altos, including the Creston Mascota deposit, to be approximately $59.7 million, excluding capitalized drilling. Capital expenditures in 2017 will primarily be used for underground mine development, equipment purchases, construction of the silver flotation plant, paste back fill plant expansion and general sustaining activities.

Development

As of December 31, 2016, for the mine life to date, more than 132 million tonnes of ore, overburden and waste had been removed from the open pit mine at Pinos Altos and approximately 57 kilometres of lateral development had been completed in the underground mine. At the Creston Mascota deposit, approximately 54 million tonnes of ore, overburden, and waste had been removed from the open pit mine as of December 31, 2016.

The shaft sinking project that was initiated in 2012, with an original budget of $106 million, was completed in mid-2016 with a final cost of $96 million. This new shaft will facilitate improved matching of mining and mill capacity for 4,500 tonnes of ore and 1,500 tonnes of waste per day as the open pit mining operation winds down.

Geology, Mineralization, Exploration and Drilling

Geology

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

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

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

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

Mineralization

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

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

The Oberon de Weber lens has been followed on surface and by diamond drilling over an extent of roughly 500 metres. Shallow holes drilled by the Company show good continuity both in terms of grade and thickness over roughly 550 metres. From the 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 the surface. The vein is followed continuously on surface over a distance of 550 metres and discontinuously up to 650 metres. Beyond its western and eastern extents, the Santo Nino andesite is massive and only weakly altered. Gold grades found are systematically associated with green quartz brecciated andesite.

The Cerro Colorado lens is structurally more complex than the three described above. Near the surface, it is marked by a complex superposition of brittle faults with mineralized zones which are difficult to correlate from hole to hole. Its relation to the Santo Nino fault zone is not clearly defined. Two deeper holes drilled by the Company suggest better grade continuity is possible at depth.

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

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

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

The Sinter zone is 1,500 metres north-northeast of the Santo Nino zone and is part of the Reyna de Plata gold structure. The steeply dipping mineralization ranges from four to 35 metres in width and almost 900 metres long, with over 350 metres of vertical depth. Sinter is being evaluated for its open pit and underground mining 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 and Drilling

In 2016, proven and probable mineral reserves at Pinos Altos (excluding Creston Mascota) decreased by approximately 35,000 ounces of gold and increased by 600,000 ounces of silver to 1.4 million ounces of gold and 38.1 million ounces of silver (17.4 million tonnes of ore grading 2.55 grams of gold per tonne and 68.15 grams of silver per tonne) after producing 183,576 ounces of gold (187 thousand ounces of in situ gold mined) and 2.4 million ounces of silver. The net decrease was a result of mine depletion as well as a change to the Santo Niño pit design. Indicated mineral resources at Pinos Altos increased by 2.8 million tonnes in 2016 to 14 million tonnes grading 1.62 grams of gold per tonne and 40.22 grams of silver per tonne due to new interpretations at the Cerro Colorado and Santo Niño deposits. Inferred mineral resources decreased by 3.4 million tonnes in 2016 to 9.2 million tonnes grading 1.28 grams of gold per tonne and 28.30 grams of silver per tonne.

In 2016, proven and probable mineral reserves at the Creston Mascota and Bravo deposits decreased by approximately 74,000 ounces of gold and 719,000 ounces of silver to 102,000 ounces of gold and 909,000 ounces of silver (2.5 million tonnes of ore grading 1.28 grams of gold per tonne and 11.35 grams of silver per tonne) after producing 47,296 ounces of gold (76,000 ounces of in situ gold mined) and 201,243 ounces of silver. The net decrease was a result of mine depletion. Indicated mineral resources at the Creston Mascota deposit increased by 28,000 tonnes in 2016 to 4.3 million tonnes grading 1.01 grams of gold per tonne and 16.98 grams of silver per tonne due to conversion of inferred mineral resources to indicated mineral resources at the Bravo deposit. The inferred mineral resources at the Creston Mascota deposit decreased by 2.9 million tonnes in 2016 to 1.3 million tonnes grading 0.72 grams of gold per tonne and 11.54 grams of silver per tonne. Drilling and evaluation will continue in 2017.

In 2016, minesite exploration activities were primarily focused on conversion, infill and exploration of the mineral resources at the Creston Mascota, Bravo and Madroño deposits. A total of 31,263 metres of minesite exploration drilling, including 8,690 metres of infill drilling at Creston Mascota, 22,573 of exploration and step out drilling at the Madroño and Bravo deposits and 4,960 metres of definition (conversion) drilling, were completed.

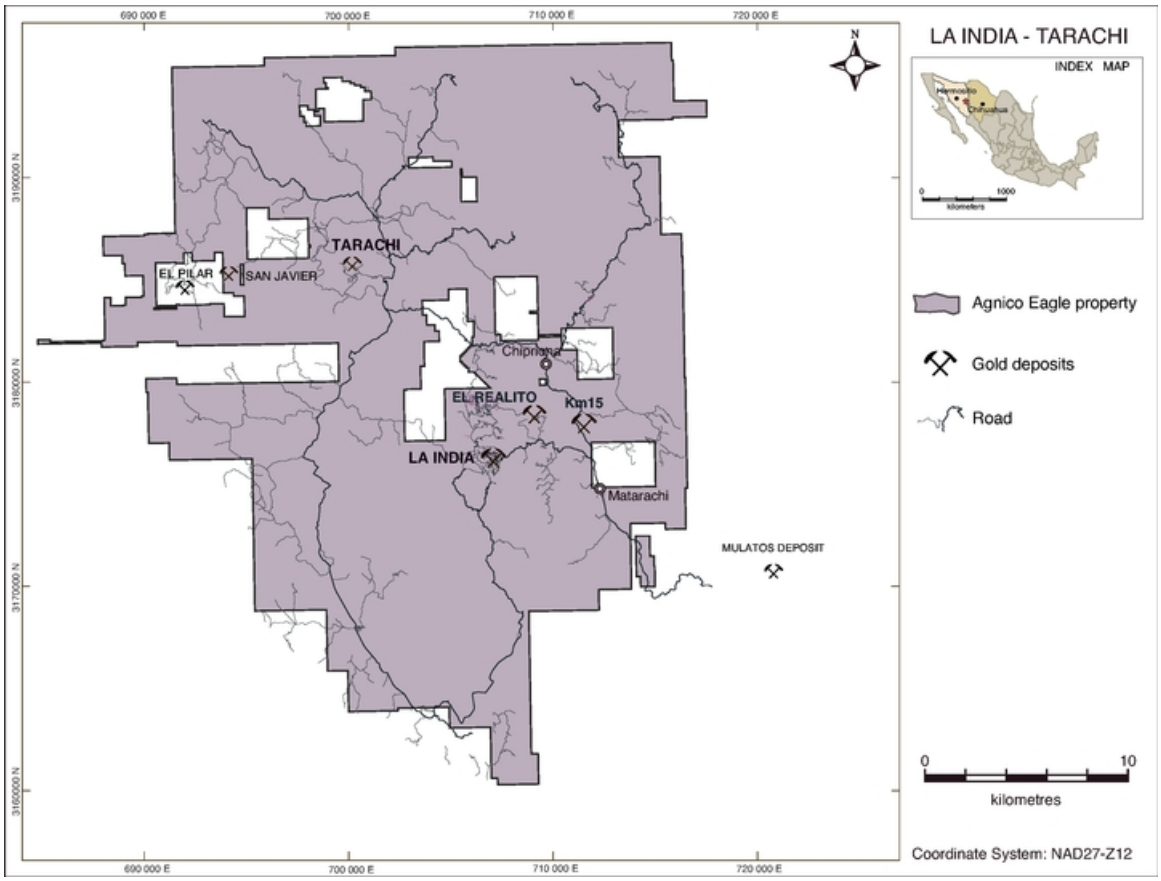
In 2017, the Company expects to spend approximately $6.6 million on exploration at the Pinos Altos mine and the Creston Mascota deposit, including $0.5 million on 2,000 metres of conversion drilling and $6.1 million on 34,000 metres of exploration drilling.

La India Mine

Construction began at La India in September 2012 and commercial production was achieved on February 1, 2014. At December 31, 2016, the La India mine was estimated to contain proven and probable mineral reserves of 1.0 million ounces of gold and 3.7 million ounces of silver comprised of 44.0 million tonnes of ore grading 0.72 grams of gold per tonne and 2.6 grams of silver per tonne.

The La India property consists of 52 wholly-owned and 13 optioned mining concessions in the Mulatos Gold Belt in Sonora, Mexico. The La India property includes the Tarachi deposit and several other prospective targets in the Mulatos Gold Belt. At the Tarachi deposit, indicated mineral resources are 47.2 million tonnes grading 0.39 grams of gold per tonne and inferred mineral resources are 81.7 million tonnes grading 0.36 grams of gold per tonne. A preliminary metallurgical testing program on Tarachi composite samples has been completed and negotiations for land access are ongoing.

Location Map of the La India Mine (as at December 31, 2016)



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

The Company acquired the La India property in November 2011 as part of its acquisition of Grayd, which had explored the property since 2004 and had prepared a preliminary economic assessment of the project in December 2010 based on a June 2010 NI 43-101-compliant mineral 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. In September 2012, following the completion of a feasibility study, the Company approved the construction of a mine at La India. The mine achieved commercial production in February 2014. The Company continues to evaluate opportunities to develop other mineral resources that have been identified in the La India area.

At the Tarachi deposit, the surface rights in the project area are owned by the Tarachi Ejido (agrarian community) and private parties. All measured, indicated and inferred mineral resources lie within privately owned or ejido possessed land. Surface access lease agreements have been executed with the property owners or possessors for approximately 50% of the identified target areas. The existing agreements permit exploration and drilling activities; if mining activity is contemplated following exploration in the area, then the Company will be required to negotiate further to acquire the surface rights necessary for project development.

Mining and Milling Facilities

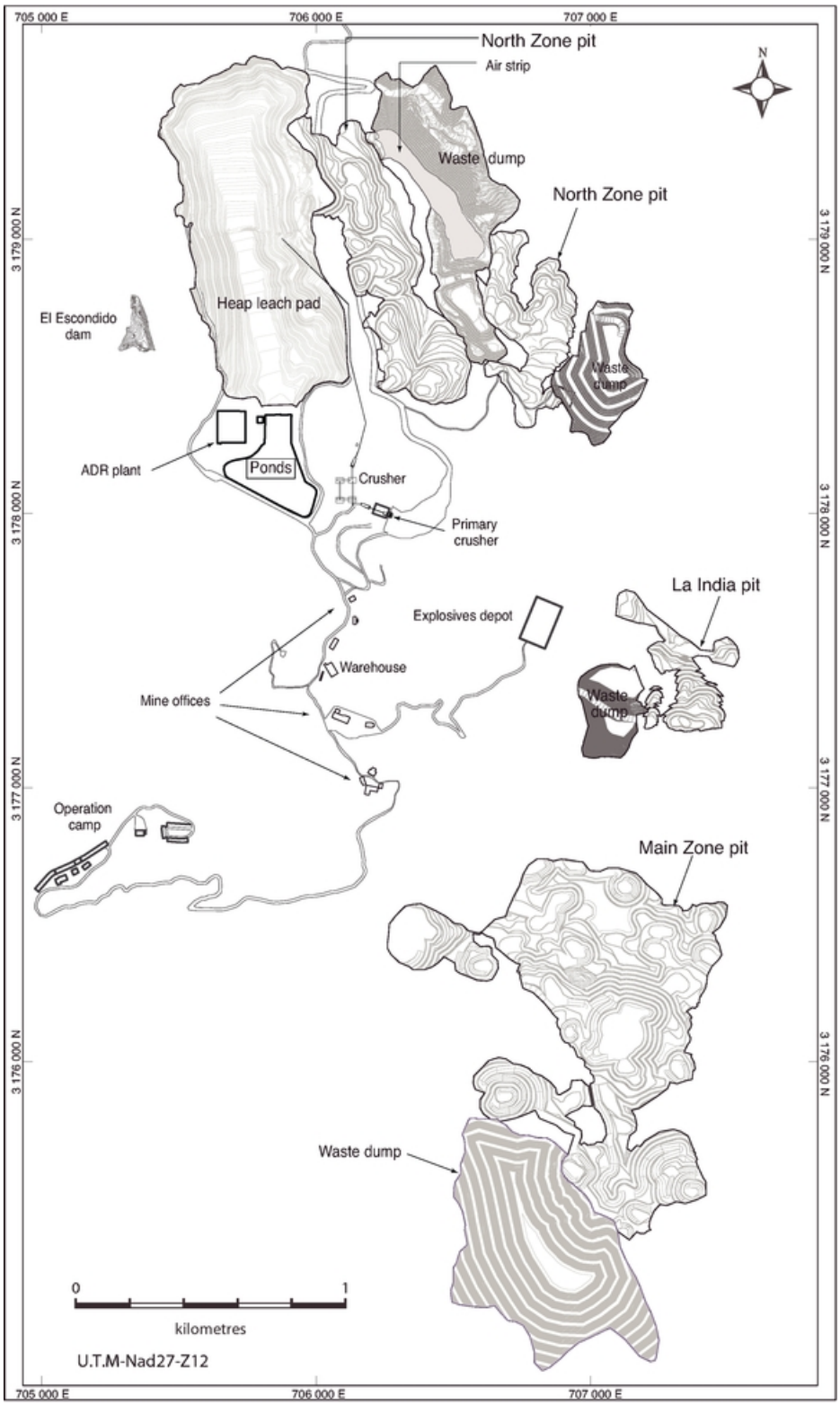
Mining Methods

Operations at the La India mine use traditional open pit mining techniques with bench heights of six metres and utilize front end loaders, trucks, track drills and various support equipment. Based upon geotechnical evaluations, the final pit slopes vary between 46 degrees and 50 degrees.

Surface Facilities

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

Surface Plan of the La India Mine (as at December 31, 2016)



Surface facilities at the La India mine include a three-stage ore crushing facility, a 35 million tonne capacity lined heap leach pad with process ponds and pumping system, a carbon adsorption plant, a laboratory, a process plant shop, a mining equipment maintenance shop, a 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.

Production and Mineral Recoveries

During 2016, the La India mine had payable production of 115,162 ounces of gold from approximately 5.8 million tonnes of ore stacked on the heap leach pad grading 0.81 grams of gold per tonne. The production costs per ounce of gold produced at La India in 2016 were $432. The total cash costs per ounce of gold produced at La India in 2016 were $395 on a by-product basis and were $468 on a co-product basis. The production costs per tonne at La India were $9 and the minesite costs per tonne were $9 in 2016. Stacking rates averaged 15,949 tonnes of ore per day.

The cumulative recovery for gold on the heap leach pad at La India is approximately 61%. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate gold recovery of 68% will be achieved when leaching is completed. This projected ultimate recovery is lower than the recovery originally estimated in the feasibility report because of the addition of significant volumes of transitional material. This ore grade material was not included in the study but, following the completion of metallurgical test work which proved its economic benefit despite a lower recovery rate, has since been added to the mineral reserves.

The following table sets out the metal recoveries at La India in 2016.

	Head Grade	Cumulative Metal Recovery	Payable Production
Gold (including prior to commercial production)	0.81 g/t	61%	115,162 oz

Gold production during 2017 at the La India mine is expected to be approximately 100,000 ounces from 5.3 million tonnes of ore grading 0.89 grams of gold per tonne, at estimated total cash costs per ounce of approximately $583 on a by-product basis, with estimated cumulative gold recovery of 66%. Minesite costs per tonne of approximately $11 are expected in 2017.

Environmental, Permitting and Social Matters

The La India mine is not located in an area with a special federal environmental protection designation. As of December 31, 2016, all permits necessary for the operation of the La India mine had been received.

The Company has engaged the local communities in the area with local hiring, contracts with local businesses, education support and medical support programs to ensure that the La India mine provides long term benefits to the residents living and working in the region. Approximately 50% of the operating workforce at La India is locally hired and 100% of the permanent workforce are Mexican nationals.

Capital Expenditures

Capital expenditures at the La India mine during 2016 were approximately $10.5 million, excluding capitalized drilling, which was spent on heap leach expansion and general sustaining activities. The Company expects capital expenditures to be approximately $7 million in 2017, excluding capitalized drilling. The capital expenditures in 2017 are to be used for heap leach expansion and general sustaining activities.

Development

As of December 31, 2016, for the mine life to date, more than 33 million tonnes of ore, overburden and waste had been removed from the open pit mine at La India.

Agreements & Licences

The mining concessions for the La India mine and Tarachi deposit are controlled by an indirect, wholly-owned subsidiary of the Company by means of direct ownership 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 mineral resources. Certain concessions are subject to underlying net smelter return royalties of between 1% and 3%, certain of which may be purchased by the Company and could result in net smelter return royalties remaining of up to 2%.

For the Tarachi deposit, payments totaling $0.75 million have been made by the Company to earn a 100% interest in the relevant concessions. Certain concessions are subject to an underlying net smelter return royalty of between 1% and 3%, which may be partially purchased by the Company, and could result in net smelter return royalties remaining of up to 2%. In addition, in 2016 the Company acquired the La Chipriona, Los Pinos and Santa Clara claims.

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

Geology, Mineralization, Exploration and Drilling

Geology and Mineralization

The La India mine lies within the Sierra Madre Occidental ("SMO") province, an extensive Eocene to Miocene volcanic field extending from the United States-Mexico border to central Mexico. The La India mine lies within the western limits of the 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 strata of similar composition. The mineral occurrences present in the mine area, and the deposit type being sought, are volcanic-hosted high-sulphidation epithermalhydrothermal gold, silver and porphyry-related gold deposits. Such deposits may be present as veins and/or disseminated deposits and/or breccias. The La India mine deposit area is one of several high-sulphidation epithermal mineralization centres recognized in the region.

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

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

Exploration and Drilling

In 2016, proven and probable mineral reserves at La India increased by approximately 153,000 ounces of gold to 1.02 million ounces of gold (44 million tonnes of ore grading 0.72 grams of gold per tonne) after producing 115,162 ounces of gold (153,000 ounces of in situ gold mined). The net increase was a result of the addition of new oxide reserves and the recognition of a new style of low grade mineralization in the Main pit that is amenable to heap leaching, which more than offset the mine depletion. Measured and indicated mineral resources at the La India mine increased by 3.9 million tonnes in 2016 to 74.2 million tonnes grading 0.36 grams of gold per tonne, largely due to relogging, reinterpretation and new estimation domains. Inferred mineral resources increased by 1.8 million tonnes in 2016 to 92.6 million tonnes grading 0.38 grams of gold per tonne due to new estimation domains.

In 2016, the Company completed 35,760 metres of drilling through 326 diamond drill holes at the La India mine. This included 12,025 metres of minesite exploration drilling at a cost of $2.3 million at the El Realito, El Cochi and India Este zones and 23,735 metres of infill drilling at the Main and North zones at a cost of $3.7 million. In addition, 5,710 metres of definition (conversion) drilling was completed at the North and Main zones.

The Company expects to spend approximately $0.8 million on 5,000 metres of conversion drilling and $6.9 million on 31,000 metres of exploration drilling at the La India mine in 2017.

Regional Exploration Activities

During 2016, the Company continued to actively explore in Quebec, Nunavut, Nevada, Finland, Sweden and Mexico. The Canadian regional exploration activities were focused on the Amaruq and Meliadine properties in Nunavut. In the United States, exploration activities during 2016 were concentrated on the West Pequop and Summit projects located in northeast Nevada. In Mexico, regional exploration was focused on the El Barqueno, La India and Pinos Altos properties. In Finland, regional exploration was focused to the north of the Kittila mine along the Kiistala fault, including the Kuotko deposit. In Sweden, the Company explored the Barsele and Solvik projects. Canadian Malartic Corporation focused exploration on the Amalgamated Kirkland and Upper Beaver projects near Kirkland Lake, Ontario and the Pandora property adjacent to the Lapa mine in Quebec, and the Partnership focused exploration on the Odyssey project next to the Canadian Malartic mine. At the LaRonde, Goldex, Lapa, Canadian Malartic, Meadowbank, Kittila, Pinos Altos (including the Creston Mascota deposit) and La India mines, the Company (or the Partnership, in the case of the Canadian Malartic mine) continued exploration programs around the mines. Most of the exploration budget was spent on drilling programs near mine infrastructure along previously recognized gold trends.

At the end of 2016, the Company's land holdings in Canada consisted of 79 projects comprised of 4,057 mineral titles covering an aggregate of 574,079 hectares (of this total in Canada, 11 projects comprised of 1,867 mineral titles covering an aggregate of 72,497 hectares are held as a 50% interest with Yamana, including the Canadian Malartic mine). Land holdings in the United States consisted of four properties comprised of 2,695 mineral titles covering an aggregate of 37,723 hectares. Land holdings in Finland consisted of four groups of properties comprised of 218 mineral titles covering an aggregate of 31,889 hectares. Land holdings in Sweden consisted of two projects comprised of 32 mineral titles covering an aggregate of 37,921 hectares. Land holdings in Mexico consisted of 18 projects comprised of 163 mining concession titles covering an aggregate of 210,865 hectares.

The total amount of expenditures incurred on regional exploration activities at the Company's exploration properties plus head office overhead and corporate development activities in 2016 was $147.0 million. This included drilling 1,022 holes for an aggregate of approximately 335 kilometres on 100%-owned properties. It also included the Company's 50% portion of the cost of drilling 192 holes for an aggregate of approximately 144 kilometres on Canadian Malartic Corporation exploration properties.

The budget for expenditures on regional exploration activities at the Company's exploration properties plus head office overhead, project evaluation and corporate development activities in 2017 is approximately $143.4 million, including approximately 437 kilometres of drilling on 100%-owned properties, and 50% of the cost of drilling 137 kilometres on Canadian Malartic Corporation exploration properties and at the Canadian Malartic mine. For further details of the components of the 2017 exploration budget, see the Company's news release dated February 15, 2017.

Mineral Reserves and Mineral Resources

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: mineral reserves and mineral resources (other than for the Canadian Malartic mine) – Daniel Doucet, Eng., Senior Corporate Director, Reserve Development; mineral reserves and mineral resources (for the Canadian Malartic mine) – Donald Gervais, P.Geo., Director of Technical Services at Canadian Malartic Corporation and Sylvie Lampron, P.Eng., Principal Engineer at Canadian Malartic Corporation; exploration – Guy Gosselin Eng., Vice-President, Exploration; environmental – Louise Grondin P.Eng., Senior Vice-President, Environment, Sustainable Development and People; mining operations, Southern Business – Carol Plummer, Eng., Vice President, Project Development, Southern Business; metallurgy – Paul Cousin, P.Eng., Vice-President, Metallurgy; mining operations, Kittila mine – Francis Brunet, P.Eng., Corporate Director Mining; mining operations, Nunavut – Dominique Girard, Eng., Vice-President, Nunavut Operations; and mining operations, Quebec mines – Christian Provencher, P.Eng., Vice-President, Canada. The Company's mineral reserves estimate was derived from internally generated data or geology reports.

Historically, mineral reserves and mineral resources for all properties were typically estimated using historic three-year average metals prices and foreign exchange rates in accordance with SEC guidelines. These guidelines require the use of prices that reflect current economic conditions at the time of mineral reserve determination, which the Staff of the SEC has interpreted to mean historic three-year average prices. Given the current commodity price environment, the Company decided to use price assumptions that are below the three-year averages for its 2014, 2015 and 2016 mineral reserve and mineral resource estimates.

The assumptions used for the 2016 mineral reserves and mineral resources estimate at all mines and advanced projects reported by the Company (other than the Meliadine project, the Canadian Malartic mine and the Upper Beaver project) were $1,150 per ounce gold, $16.50 per ounce silver, $0.95 per pound zinc, $2.15 per pound copper and exchange rates of C$1.20 per $1.00, 16.00 Mexican pesos per $1.00 and $1.15 per €1.00; provided, however, that due to the shorter remaining mine life for the Lapa and Meadowbank mines in Canada, and the Creston Mascota deposit and Santo Nino pit at the Pinos Altos mine in Mexico, the exchange rates used for the mineral reserve and mineral resource estimates at these properties were C$1.30 per $1.00 and 16.00 Mexican pesos per $1.00 (other assumptions unchanged). At the Meliadine project, the assumptions remained the same as at December 2015, which were $1,100 per ounce gold and an exchange rate of C$1.16 per $1.00. The assumptions used for the 2016 mineral reserves and mineral resources estimate at the Canadian Malartic mine and the Upper Beaver project were $1,200 per ounce gold and $2.75 per pound copper; a cut-off grade at the Canadian Malartic mine between 0.33 g/t and 0.37 g/t gold (depending on the deposit); a C$125/tonne net smelter return for the Upper Beaver project; and an exchange rate of C$1.25 per $1.00.

The assumptions used for the 2015 mineral reserves and mineral resources estimate at all mines and advanced projects reported by the Company (other than the Canadian Malartic mine) were $1,100 per ounce gold, $16.00 per ounce silver, $0.90 per pound zinc, $2.50 per pound copper, and exchange rates of C$1.16 per $1.00, $1.20 per €1.00 and 14.00 Mexican pesos per $1.00 for all mines and projects (other than the Lapa and Meadowbank mines and the Creston Mascota deposit and Santo Niño open pit at Pinos Altos). Due to shorter mine life, the assumptions used for the mineral reserve estimates at the short-life mines (the Lapa and Meadowbank mines and the Creston Mascota deposit and Santo Niño open pit) as of December 31, 2015, include the same metal price assumptions, and exchange rates of C$1.30 per $1.00 and 16.00 Mexican pesos per $1.00, respectively. The assumptions used for the 2015 mineral reserves and mineral resources estimate at the Canadian Malartic mine were $1,150 per ounce gold, a cut-off grade between 0.34 grams per tonne and 0.40 grams per tonne of gold (depending on the deposit) and an exchange rate of C$1.24 per $1.00.

The assumptions used for the 2014 mineral reserves and mineral resources estimate at all mines and advanced projects reported by the Company (other than the Canadian Malartic mine) were $1,150 per ounce gold, $18 per ounce silver, $1.00 per pound zinc, $3.00 per pound copper and exchange rates of C$1.08 per $1.00, 13.00 Mexican pesos per $1.00 and $1.30 per €1.00. The assumptions used for the 2014 mineral reserves and mineral resources estimate at the Canadian Malartic mine were $1,300 per ounce gold, a cut-off grade between 0.28 grams per tonne and 0.35 grams per tonne of gold (depending on the deposit) and an exchange rate of C$1.10 per $1.00. Other assumptions used for estimating 2015 and 2014 mineral reserve and mineral resource information may be found in the Company's annual filings in respect of the years ended December 31, 2015 and December 31, 2014, respectively.

Set out below are the mineral reserve estimates as of December 31, 2016, as estimated in accordance with NI 43-101 (tonnages and contained gold quantities are rounded to the nearest thousand):

MINERAL RESERVES

OPERATIONS

		PROVEN			PROBABLE			PROVEN & PROBABLE		
GOLD	OWNERSHIP	000 tonnes	g/t	000 oz Au	000 tonnes	g/t	000 oz Au	000 tonnes	g/t	000 oz Au
LaRonde (underground)	100%	5,833	4.91	921	11,758	5.64	2,132	17,591	5.40	3,053
LaRonde Zone 5 (underground)	100%	2,836	2.12	194	3,429	2.08	230	6,265	2.10	423
Canadian Malartic (open pit)	50%	25,560	0.95	785	76,274	1.13	2,764	101,834	1.08	3,548
Goldex (underground)	100%	294	1.47	14	16,507	1.64	872	16,801	1.64	886
Akasaba West (open pit)	100%	—	—	—	4,942	0.89	142	4,942	0.89	142
Lapa (underground)	100%	259	4.58	38	—	—	—	259	4.58	38
Meadowbank (open pit)	100%	1,704	1.75	96	6,515	2.94	615	8,219	2.69	711
Meliadine (open pit)		34	7.31	8	4,001	5.00	644	4,035	5.02	652
Meliadine (underground)		—	—	—	10,494	8.20	2,766	10,494	8.20	2,766
Meliadine Total	100%	**34**	**7.31**	**8**	**14,495**	**7.32**	**3,410**	**14,529**	**7.32**	**3,417**
Upper Beaver (underground)	50%	—	—	—	3,996	5.43	698	3,996	5.43	698
Kittila (underground)	100%	1,148	4.19	155	28,907	4.65	4,325	30,055	4.64	4,479
Pinos Altos (open pit)		180	0.85	5	2,525	2.07	168	2,705	1.99	173
Pinos Altos (underground)		3,331	2.79	299	11,364	2.61	953	14,696	2.65	1,251
Pinos Altos Total	100%	**3,512**	**2.69**	**304**	**13,889**	**2.51**	**1,120**	**17,401**	**2.55**	**1,424**
Creston Mascota (open pit)	100%	65	0.94	2	2,426	1.29	100	2,491	1.28	102
La India (open pit)	100%	213	0.61	4	43,756	0.72	1,016	43,969	0.72	1,020
Total		***41,458***	***1.89***	***2,520***	***226,895***	***2.39***	***17,423***	***268,353***	***2.31***	***19,943***
SILVER	OWNERSHIP	000 tonnes	g/t	000 oz Ag	000 tonnes	g/t	000 oz Ag	000 tonnes	g/t	000 oz Ag
LaRonde (underground)	100%	5,833	18.31	3,434	11,758	19.56	7,393	17,591	19.14	10,827
Pinos Altos (open pit)		180	67.77	393	2,525	59.81	4,856	2,705	60.34	5,249
Pinos Altos (underground)		3,331	75.26	8,061	11,364	67.92	24,817	14,696	69.59	32,878
Pinos Altos Total	100%	**3,512**	**74.88**	**8,454**	**13,889**	**66.45**	**29,673**	**17,401**	**68.15**	**38,127**
Creston Mascota (open pit)	100%	65	8.07	17	2,426	11.44	892	2,491	11.35	909
La India (open pit)	100%	213	14.67	100	43,756	2.57	3,615	43,969	2.63	3,716
Total		—	—	***12,006***	—	—	***41,573***	—	—	***53,579***
COPPER	OWNERSHIP	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu
LaRonde (underground)	100%	5,833	0.24	13,736	11,758	0.24	28,589	17,591	0.24	42,325
Akasaba West (open pit)	100%	—	—	—	4,942	0.50	24,851	4,942	0.50	24,851
Upper Beaver (underground)	50%	—	—	—	3,996	0.25	9,990			
Total		—	—	***13,736***	—	—	***63,430***	—	—	***77,166***
ZINC	OWNERSHIP	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn
LaRonde (underground)	100%	5,833	0.41	23,706	11,758	1.10	128,864	17,591	0.87	152,569
Total		—	—	***23,706***	—	—	***128,864***	—	—	***152,569***

MINERAL RESOURCES

OPERATIONS

		MEASURED			INDICATED			MEASURED AND INDICATED			INFERRED		
GOLD	OWNERSHIP	000 tonnes	g/t	000 oz Au	000 tonnes	g/t	000 oz Au	000 tonnes	g/t	000 oz Au	000 tonnes	g/t	000 oz Au
LaRonde (underground)	100%	—	—	—	5,688	3.27	598	5,688	3.27	598	7,701	6.68	1,655
LaRonde Zone 5 (underground)	100%	—	—	—	8,897	2.49	712	8,897	2.49	712	2,873	5.28	488
Ellison (underground)	100%	—	—	—	653	3.25	68	653	3.25	68	2,346	3.41	257
Canadian Malartic (open pit)	50%	2,001	1.34	86	11,121	1.56	559	13,122	1.53	644	4,599	1.46	216
Odyssey (underground)	50%	—	—	—	—	—	—	—	—	—	10,343	2.15	714
Goldex (underground)	100%	12,360	1.86	739	17,949	1.80	1,038	30,309	1.82	1,777	21,882	1.60	1,129
Akasaba West (open pit)	100%	—	—	—	2,484	0.66	53	2,484	0.66	53	—	—	—
Lapa (underground)	100%	85	5.29	14	693	4.09	91	778	4.22	105	652	7.55	158
Zulapa (open pit)	100%	—	—	—	—	—	—	—	—	—	391	3.14	39
Swanson (open pit)	100%	—	—	—	504	1.93	31	504	1.93	31	—	—	—
Meadowbank (open pit)	100%	587	1.00	19	3,099	2.28	227	3,686	2.07	246	1,142	3.13	115
Amaruq (open pit)		—	—	—	16,925	3.88	2,109	16,925	3.88	2,109	4,931	4.81	763
Amaruq (underground)		—	—	—	—	—	—	—	—	—	6,814	6.22	1,362
Amaruq Total	100%	—	—	—	**16,925**	**3.88**	**2,109**	**16,925**	**3.88**	**2,109**	**11,745**	**5.63**	**2,125**
Meliadine (open pit)		—	—	—	7,867	4.24	1,072	7,867	4.24	1,072	1,054	5.35	181
Meliadine (underground)		—	—	—	12,911	5.38	2,234	12,911	5.38	2,234	13,656	7.68	3,371
Meliadine Total	100%	—	—	—	**20,778**	**4.95**	**3,306**	**20,778**	**4.95**	**3,306**	**14,710**	**7.51**	**3,552**
Hammond Reef (open pit)	50%	82,831	0.70	1,862	21,377	0.57	389	104,208	0.67	2,251	251	0.74	6
Upper Beaver (underground)	50%	—	—	—	1,818	3.45	202	1,818	3.45	202	4,344	5.07	708
AK (underground)	50%	—	—	—	634	6.51	133	634	6.51	133	1,187	5.32	203
Anoki/McBean (underground)	50%	—	—	—	934	5.33	160	934	5.33	160	1,263	4.70	191
Kittila (open pit)		—	—	—	229	3.41	25	229	3.41	25	373	3.89	47
Kittila (underground)		1,607	2.45	127	18,885	2.95	1,794	20,492	2.91	1,920	10,686	4.06	1,395
Kittila Total	100%	**1,607**	**2.45**	**127**	**19,114**	**2.96**	**1,819**	**20,721**	**2.92**	**1,946**	**11,059**	**4.05**	**1,442**
Kuotko, Finland (open pit)	100%	—	—	—	—	—	—	—	—	—	396	2.88	37
Kylmäkangas, Finland (underground)	100%	—	—	—	—	—	—	—	—	—	1,896	4.11	250
Barsele, Sweden (open pit)											4,057	1.02	133
Barsele, Sweden (underground)											7,887	2.08	528
Barsele Total	55%										11,944	1.72	661
Pinos Altos (open pit)		—	—	—	236	1.07	8	236	1.07	8	5,984	0.61	117
Pinos Altos (underground)		—	—	—	13,751	1.63	721	13,751	1.63	721	3,241	2.52	262
Pinos Altos Total	100%	—	—	—	**13,988**	**1.62**	**730**	**13,988**	**1.62**	**730**	**9,225**	**1.28**	**380**
Creston Mascota (open pit)	100%	—	—	—	4,292	1.01	139	4,292	1.01	139	1,332	0.72	31
La India (open pit)	100%	11,127	0.24	85	63,081	0.39	783	74,208	0.36	869	92,631	0.38	1,132
El Barqueno (open pit)	100%	—	—	—	8,469	1.11	301	8,469	1.11	301	7,210	1.56	362
Total		***110,598***	***0.82***	***2,933***	***222,497***	***1.88***	***13,446***	***333,095***	***1.53***	***16,378***	***221,119***	***2.23***	***15,850***
SILVER	OWNERSHIP	000 tonnes	g/t	000 oz Ag	000 tonnes	g/t	000 oz Ag	000 tonnes	g/t	000 oz Ag	000 tonnes	g/t	000 oz Ag
LaRonde (underground)	100%	—	—	—	5,688	20.51	3,751	5,688	20.51	3,751	7,701	14.48	3,584
Kylmäkangas, Finland (underground)	100%	—	—	—	—	—	—	—	—	—	1,896	31.11	1,896
Pinos Altos (open pit)		—	—	—	236	20.40	155	236	20.40	155	5,984	20.94	4,029
Pinos Altos (underground)		—	—	—	13,751	40.57	17,935	13,751	40.57	17,935	3,241	41.87	4,363
Pinos Altos Total	100%	—	—	—	**13,988**	**40.22**	**18,090**	**13,988**	**40.22**	**18,090**	**9,225**	**28.30**	**8,392**
Creston Mascota (open pit)	100%	—	—	—	4,292	16.98	2,343	4,292	16.98	2,343	1,332	11.54	494
La India (open pit)	100%	11,127	2.37	847	63,081	0.70	1,421	74,208	0.95	2,267	92,631	0.39	1,153
El Barqueno (open pit)	100%	—	—	—	8,469	4.35	1,183	8,469	4.35	1,183	7,210	4.50	1,043
Total		—	—	***847***	—	—	***26,787***	—	—	***27,634***	—	—	***16,561***
COPPER	OWNERSHIP	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu
LaRonde (underground)	100%	—	—	—	5,688	0.21	11,676	5,688	0.21	11,676	7,701	0.25	19,589
Akasaba West (open pit)	100%	—	—	—	2,484	0.40	9,941	2,484	0.40	9,941	—	—	—
Upper Beaver (underground)	50%	—	—	—	1,818	0.14	2,567	1,818	0.14	2,567	4,344	0.20	8,642
Total		—	—	—	—	—	***24,184***	—	—	***24,184***	—	—	***28,231***
ZINC	OWNERSHIP	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn
LaRonde (underground)	100%	—	—	—	5,688	0.93	52,850	5,688	0.93	52,850	7,701	0.60	46,358
Total		—	—	—	—	—	***52,850***	—	—	***52,850***	—	—	***46,358***

In the tables above and below setting out mineral reserve information about the Company's mineral projects, and elsewhere in this AIF, the total contained gold ounces stated do not include equivalent gold ounces for by-product metals contained in the mineral reserve. Mineral reserves are not a subset of mineral resources. Tonnage amounts and contained metal amounts presented in these tables have been rounded to the nearest thousand, so aggregate amounts may differ from column totals. The Canadian Malartic mine and Upper Beaver project mineral reserve and mineral resource estimates represent Agnico Eagle's 50% interest in the properties. For all mineral reserves and mineral resources other than inferred mineral resources and mineral reserves and mineral resources held by Canadian Malartic Corporation and the Partnership, the reported metal grades in the estimates reflect dilution after mining recovery. For the mineral reserves and mineral resources at the Canadian Malartic mine and the Upper Beaver project, the reported metal grades in the

estimates of the measured and indicated mineral resources do not reflect dilution after mining recovery. The mineral reserve and mineral resource figures presented in this AIF are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

The integrity and validity of the scientific and technical information in this AIF has been verified by Qualified Persons as defined by NI 43-101. This includes the sampling methods, quality control measures, security measures taken to ensure the validity and integrity of samples taken, assaying and analytical procedures and quality control measures and data verification procedures. The methods used by the Company follow the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Best Practice Guidelines for Exploration and for Estimation of Mineral Resources and Mineral Reserves and industry practices. Sample preparation and analyses are conducted by external laboratories that are independent of the Company.

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

Mineral Reserves and Mineral Resources

Northern Business

LaRonde Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2016	**2015**	**2014**
LaRonde Extension Orebody (below Level 245)			
Proven mineral reserves – tonnes	5,354,000	2,845,000	3,600,000
Average grade – gold grams per tonne	5.16	4.43	4.03
Probable mineral reserves – tonnes	11,686,000	14,706,000	16,000,000
Average grade – gold grams per tonne	5.66	5.61	5.61
LaRonde Orebody (above Level 245)			
Proven mineral reserves – tonnes	479,000	610,000	900,000
Average grade – gold grams per tonne	2.14	2.50	2.65
Probable mineral reserves – tonnes	71,000	59,000	100,000
Average grade – gold grams per tonne	1.97	1.77	1.84
Total proven and probable mineral reserves – tonnes	**17,591,000**	**18,220,000**	**20,532,000**
Average grade – gold grams per tonne	**5.40**	**5.31**	**5.20**
Total contained gold ounces	**3,053,000**	**3,109,000**	**3,432,000**

Notes:

(1) The 2016 proven and probable mineral reserve estimates set out in the table above are based on a net smelter return cut-off value of the ore that varies between C$106 per tonne and C$118 per tonne depending on the deposit. The Company's historical metallurgical recovery rates at the LaRonde mine from January 1, 2011 to December 31, 2016 averaged 92.7% for gold, 86.2% for silver, 77.8% for zinc and 81.7% for copper. Since May 2013, when the precious metals circuit was upgraded to carbon-in-pulp technology, the metallurgical recovery rates to December 31, 2016 have averaged 94.8% for gold, 85.8% for silver, 71.5% for zinc, 84.7% for copper and 0% for lead (lead has not been recovered since May 2013). The historical metallurgical recovery rate for lead from January 1, 2011 to May 31, 2013 was 18.7%. The Company estimates that a $100 (9%) change in the gold price would result in an approximate 1% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the LaRonde mine contained indicated mineral resources of 5,688,000 tonnes grading 3.27 grams of gold per tonne and inferred mineral resources of 7,701,000 tonnes grading 6.68 grams of gold per tonne. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the LaRonde mine by category at December 31, 2016 with those at December 31, 2015. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2016.

	Proven	**Probable**	**Total**
December 31, 2015	3,455	14,765	18,220
Processed in 2016	2,240	–	2,240
Revision	4,618	(3,007)	1,611
December 31, 2016	**5,833**	**11,758**	**17,591**

(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 SEDAR on March 23, 2005 and authored by Guy Gosselin, Eng.

Lapa Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2016	**2015**	**2014**
Gold			
Proven mineral reserves – tonnes	259,000	444,000	832,000
Average grade – gold grams per tonne	4.58	5.49	5.87
Probable mineral reserves – tonnes	–	–	74,000
Average grade – gold grams per tonne	–	–	5.50
Total proven and probable mineral reserves – tonnes	259,000	**444,000**	**907,000**
Average grade – gold grams per tonne	4.58	**5.49**	**5.84**
Total contained gold ounces	**38,000**	**78,000**	**170,000**

Notes:

(1) The 2016 proven and probable mineral reserve estimates set out in the table above were estimated using an assumed metallurgical gold recovery of 84.8% and a cut-off grade of 3.3 grams of gold per tonne, and. The operating cost per tonne estimate for the Lapa mine in 2016 was C$134.13. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 235% increase or 76% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the Lapa mine contained measured mineral resources of 85,000 tonnes grading 5.29 grams of gold per tonne, indicated mineral resources of 693,000 tonnes grading 4.09 grams of gold per tonne and inferred mineral resources of 652,000 tonnes grading 7.55 grams of gold per tonne. The mineral resources were estimated using an assumed metallurgical gold recovery of 73.9% and a cut-off grade of 2.8 grams of gold per tonne. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Lapa mine by category at December 31, 2016 with those at December 31, 2015. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2016.

	Proven	**Probable**	**Total**
December 31, 2015	444	–	444
Processed in 2016	593	–	593
Revision	408	–	408
December 31, 2016	**259**	**–**	**259**

(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,		
	2016	**2015**	**2014**
Gold			
Proven mineral reserves – tonnes	294,000	300,000	203,000
Average grade – gold grams per tonne	1.47	1.54	1.70
Probable mineral reserves – tonnes	16,507,000	12,644,000	6,893,000
Average grade – gold grams per tonne	1.64	1.61	1.49
Total proven and probable mineral reserves – tonnes	**16,801,000**	**12,944,000**	**7,096,000**
Average grade – gold grams per tonne	**1.64**	**1.61**	**1.49**
Total contained gold ounces	**886,000**	**668,000**	**340,000**

Notes:

(1) The 2016 proven and probable mineral reserve estimates set out in the table above were estimated using an assumed metallurgical gold recovery of 88%. As of December 31, 2016, the operating costs per tonne were estimated to be C$38.18 for the E Zone and C$36.68 for the M Zone. The cut-off grade used for mineral reserves was 1.0 grams of gold per tonne. The Company estimates that a $100 (9%) change in the gold price would result in an approximate 1% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the Goldex mine contained measured mineral resources of 12,360,000 tonnes grading 1.86 grams of gold per tonne, indicated mineral resources of 17,949,000 tonnes grading 1.80 grams of gold per tonne and inferred mineral resources of 21,882,000 tonnes grading 1.60 grams of gold per tonne. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Goldex mine by category at December 31, 2016 with those at December 31, 2015. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2016.

	Proven	**Probable**	**Total**
December 31, 2015	300	12,644	12,944
Processed in 2016	2,545	–	2,545
Revision	2,539	3,863	6,402
December 31, 2016	**294**	**16,507**	**16,801**

(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 Goldex mine may be found in the Technical Report on Production of the M and E Zones at Goldex Mine dated October 14, 2012 filed with the Canadian securities regulatory authorities on SEDAR on November 1, 2012, authored by Richard Genest, P.Geo., Eng., Jean-François Lagueux, Eng., François Robichaud, Eng. and Sylvain Boily, Eng.

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

	As at December 31,		
	2016	**2015**	**2014**
Gold			
Proven mineral reserves – tonnes	25,560,000	27,446,000	24,969,000
Average grade – gold grams per tonne	0.95	0.97	0.92
Probable mineral reserves – tonnes	76,274,000	83,320,000	101,978,000
Average grade – gold grams per tonne	1.13	1.12	1.10
Total proven and probable mineral reserves – tonnes	**101,834,000**	**110,766,000**	**126,947,000**
Average grade – gold grams per tonne	**1.08**	**1.08**	**1.06**
Total contained gold ounces	**3,548,000**	**3,863,000**	**4,329,000**

Notes:

(1) The Canadian Malartic property is owned by the Partnership, in which the Company holds an indirect 50% interest, with the remaining 50% interest held indirectly by Yamana. The 2016 proven and probable mineral reserves set out in the table above were estimated using an assumed metallurgical gold recovery of between 89% and 96.5% and a cut-off grade from 0.33 to 0.37 grams of gold per tonne, depending on the deposit. The operating cost per tonne estimate for the Canadian Malartic mine as of December 31, 2016 was C$9.67 per tonne for Canadian Malartic and the Barnat deposit and C$10.29 per tonne for the Jeffrey deposit. The Company estimates that a $120 (10%) increase in the gold price would result in an approximate 3% increase in mineral reserves, while a $120 (10%) decrease in the gold price would result in an approximate 4% decrease in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the Canadian Malartic mine (Agnico Eagle's 50% interest) contained measured mineral resources of 2,001,000 tonnes grading 1.34 grams of gold per tonne, indicated mineral resources of 11,121,000 tonnes grading 1.56 grams of gold per tonne and inferred mineral resources of 14,941,000 tonnes grading 1.93 grams of gold per tonne (including the Odyssey Zone inferred mineral resources). Gold cut-off grades used for mineral resource estimates were fixed at 100% of the applicable mineral reserve cut-off grade in pit and 1.0 grams of gold per tonne for mineral resources below pit.

(3) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Canadian Malartic mine by category at December 31, 2016 with those at December 31, 2015, stating Agnico Eagle's 50% interest. Revision indicates additional mineral reserves converted from mineral resources during 2016.

	Proven	**Probable**	**Total**
December 31, 2015	27,446	83,320	110,766
Processed in 2016	9,821	–	9,821
Revision	7,935	(7,046)	889
December 31, 2016	**25,560**	**76,274**	**101,834**

(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 Canadian Malartic mine may be found in the Technical Report on the Mineral Resource and Mineral Reserve Estimates for the Canadian Malartic Property dated June 16, 2014, filed with Canadian securities regulatory authorities on SEDAR on August 13, 2014, authored by Donald Gervais, P. Geo., Christian Roy, Eng., Alain Thibault, Eng., Carl Pednault, Eng. and Daniel Doucet, Eng.

Kittila Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2016	**2015**	**2014**
Gold			
Proven mineral reserves – tonnes	1,148,000	1,059,000	921,000
Average grade – gold grams per tonne	4.19	4.28	4.41
Probable mineral reserves – tonnes	28,907,000	27,136,000	27,614,000
Average grade – gold grams per tonne	4.65	4.82	4.95
Total proven and probable mineral reserves – tonnes	**30,055,000**	**28,195,000**	**28,535,000**
Average grade – gold grams per tonne	**4.64**	**4.80**	**4.93**
Total contained gold ounces	**4,479,000**	**4,353,000**	**4,524,000**

Notes:

(1) The 2016 proven and probable mineral reserves set out in the table above were estimated using a metallurgical gold recovery of 86.1%. Gold cut-off grades used were between 2.7 grams per tonne and 2.9 grams per tonne, diluted), depending on the deposit, for underground mineral reserves. The open pit operating cost was estimated to be €49.55 per tonne at December 31, 2016, while the underground operating cost was estimated between €71.96 to €79.64 per tonne at December 31, 2016. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 11% increase or 6% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the Kittila mine contained measured mineral resources of 1,607,000 tonnes grading 2.45 grams of gold per tonne, indicated mineral resources of 19,114,000 tonnes grading 2.96 grams of gold per tonne and inferred mineral resources of 11,059,000 tonnes grading 4.05 grams of gold per tonne. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Kittila mine by category at December 31, 2016 with those at December 31, 2015. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2016.

	Proven	**Probable**	**Total**
December 31, 2015	1,059	27,136	28,195
Processed in 2016	1,667	–	1,667
Revision	1,756	1,771	3,527
December 31, 2016	**1,148**	**28,907**	**30,055**

(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 Kittila mine may be found in the Technical Report on the December 31, 2009, Mineral Resource and Mineral Reserve Estimate and the Suuri Extension Project, Kittila Mine, Finland, filed with the Canadian securities regulatory authorities on SEDAR on March 4, 2010, authored by Daniel Doucet, Eng., Dominique Girard, Eng., Louise Grondin, P.Eng., and Pierre Matte, Eng.

Meadowbank Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2016	**2015**	**2014**
Gold			
Proven mineral reserves – tonnes	1,704,000	1,203,000	1,090,000
Average grade – gold grams per tonne	1.75	1.51	1.50
Probable mineral reserves – tonnes	6,515,000	9,586,000	10,705,000
Average grade – gold grams per tonne	2.94	2.87	3.24
Total proven and probable mineral reserves – tonnes	**8,219,000**	**10,789,000**	**11,795,000**
Average grade – gold grams per tonne	**2.69**	**2.72**	**3.08**
Total contained gold ounces	**711,000**	**943,000**	**1,168,000**

Notes:

(1) The 2016 proven and probable mineral reserve estimates set out in the table above were estimated using a cut-off grade that used a metallurgical gold recovery of 90.5% or 95.5%, depending on the deposit. The cut-off grade used for mineral reserves varied from 1.2 grams of gold per tonne to 1.3 grams of gold per tonne, depending on the deposit, and is 1.26 to 1.15 grams of gold per tonne as a marginal cut-off grade, depending on the deposit. The operating costs used for the mineral reserve estimate as of December 31, 2016 varied between C$54.67 per tonne and C$55.58 per tonne, depending on the deposit, including an additional haulage cost of C$0.91 per tonne for Vault deposit mineral reserves. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 1% increase or 2% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the Meadowbank mine (not including the Amaruq deposit) contained measured mineral resources of 587,000 tonnes grading 1.00 grams of gold per tonne, indicated mineral resources of 3,099,000 tonnes grading 2.28 grams of gold per tonne and inferred mineral resources of 1,142,000 tonnes grading 3.13 grams of gold per tonne. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Meadowbank mine by category at December 31, 2016 with those at December 31, 2015. 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 2016.

	Proven	**Probable**	**Total**
December 31, 2015	1,203	9,586	10,789
Processed in 2016	3,915	–	3,915
Revision	4,416	(3,071)	1,345
December 31, 2016	**1,704**	**6,515**	**8,219**

(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, authored by Marc Ruel, P.Geo., Alex Proulx, Eng., Pathies Nawej Muteb, Eng. and Larry Connell, P.Eng.

Meliadine Project Mineral Reserves and Mineral Resources

	As at December 31,		
	2016	**2015**	**2014**
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	14,495,000	14,495,000	13,910,000
Average grade – gold grams per tonne	7.32	7.32	7.44
Total proven and probable mineral reserves – tonnes	**14,529,000**	**14,529,000**	**13,944,000**
Average grade – gold grams per tonne	**7.32**	**7.32**	**7.44**
Total contained gold ounces	**3,417,000**	**3,417,000**	**3,335,000**

Notes:

(1) The 2016 proven and probable mineral reserves set out in the table above were estimated using metallurgical gold recovery curves for the Tiriganiaq and Wesmeg deposits. The curves give a maximum recovery of 96.5% for Tiriganiaq and Wesmeg. For the Tiriganiaq and Wesmeg deposits, the cut-off grade used for the open pit mineral reserves was 2.50 grams of gold per tonne, undiluted (1.76 grams of gold per tonne, diluted), and the cut-off grade used to determine the underground mineral reserves was 6.07 grams of gold per tonne, undiluted (4.67 grams of gold per tonne, diluted). The estimated operating cost used for the mineral reserve estimate as of December 31, 2016 was C$81.97 per tonne for open pit and C$176.44 per tonne for underground. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 5% increase or 7% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the Meliadine project contained indicated mineral resources of 20,778,000 tonnes grading 4.95 grams of gold per tonne and inferred mineral resources of 14,710,000 tonnes grading 7.51 grams of gold per tonne. The 2016 mineral resources at the Tiriganiaq-Normeg-Wesmeg, F Zone, Pump, Discovery and Wolf deposits were estimated using a fixed metallurgical gold recovery of 91.1%, 91.0%, 86.9%, 93.5% and 94.3%, respectively, for open pit mineral resources, and 93.4%, 91.7%, 90.0%, 95.5% and 95.7%, respectively, for underground mineral resources. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade for underground resource estimates and at 100% of the applicable reserve marginal cut-off grade for open pit mineral resource estimates.

(3) The breakdown of open pit and underground mineral reserves at the Meliadine project (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2016 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	4,001,000	5.00	644,000
Probable mineral reserves	Underground	10,494,000	8.20	2,766,000
Total probable mineral reserves		**14,495,000**	**7.32**	**3,410,000**
Total proven and probable mineral reserves		**14,529,000**	**7.32**	**3,417,000**

(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 Updated Technical Report on the Meliadine Gold Project, Nunavut, Canada dated February 11, 2015, filed with Canadian securities regulatory authorities on March 12, 2015, authored by Julie Larouche, P.Geo., Denis Caron, Eng., Larry Connell, P.Eng., Dany Laflamme, Eng., François Robichaud, Eng., François Petrucci, P.Eng. and Alexandre Proulx, Eng.

Southern Business

Pinos Altos Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2016	**2015**	**2014**
Gold and Silver			
Proven mineral reserves – tonnes	3,512,000	2,769,000	2,441,000
Average gold grade – grams per tonne	2.69	3.08	3.27
Average silver grade – grams per tonne	74.88	82.51	86.27
Probable mineral reserves – tonnes	13,889,000	12,967,000	15,788,000
Average gold grade – grams per tonne	2.51	2.84	2.97
Average silver grade – grams per tonne	66.45	72.40	78.63
Total proven and probable mineral reserves – tonnes	**17,401,000**	**15,736,000**	**18,230,000**
Average gold grade – grams per tonne	**2.55**	**2.88**	**3.01**
Average silver grade – grams per tonne	**68.15**	**74.18**	**79.65**
Total contained gold ounces	**1,424,000**	**1,459,000**	**1,763,000**
Total contained silver ounces	**38,127,000**	**37,531,000**	**46,682,000**

Notes:

(1) The 2016 proven and probable mineral reserve estimates set out in the table above at the Pinos Altos mine (excluding the Creston Mascota deposit) are estimated based on a net smelter return cut-off value of the open pit ore between $8.22 per tonne and $26.03 per tonne, depending on the processing method, and a net smelter return cut-off value of the underground ore of $57.21 per tonne. The metallurgical gold recovery used in the reserve estimates varied between 74% and 96%, depending on the deposit and the processing method. The metallurgical silver recovery used in the reserve estimates varied between 16% and 90%, depending on the deposit and the processing method. The Company estimates that a $100 (9%) change in the gold price would result in an approximate 0.2% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the Pinos Altos mine contained indicated mineral resources of 13,988,000 tonnes grading 1.62 grams of gold per tonne and 40.22 grams of silver per tonne and inferred mineral resources of 9,225,000 tonnes grading 1.28 grams of gold per tonne and 28.30 grams of silver per tonne. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The breakdown of open pit and underground mineral reserves at the Pinos Altos mine (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2016 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	180,000	0.85	67.77	5,000	393,000
Proven mineral reserves	Underground	3,331,000	2.79	75.26	299,000	8,061,000
Total proven mineral reserves		**3,512,000**	**2.69**	**74.88**	**304,000**	**8,454,000**
Probable mineral reserves	Open pit	2,525,000	2.07	59.81	168,000	4,856,000
Probable mineral reserves	Underground	11,364,000	2.61	67.92	953,000	24,817,000
Total probable mineral reserves		**13,889,000**	**2.51**	**66.45**	**1,120,000**	**29,673,000**
Total proven and probable mineral reserves		**17,401,000**	**2.55**	**68.15**	**1,424,000**	**38,127,000**

(4) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Pinos Altos mine (excluding the Creston Mascota deposit) by category at December 31, 2016 with those at December 31, 2015. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2016.

	Proven	Probable	Total
December 31, 2015	**2,769**	**12,967**	**15,736**
Processed in 2016	2,260	–	2,260
Revision	3,003	922	3,925
December 31, 2016	**3,512**	**13,889**	**17,401**

(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 Pinos Altos mine may be found in the Pinos Altos Gold-Silver Mining Project, Chihuahua State, Mexico, Technical Report on the Mineral Resources and Reserves as of December 31, 2008 filed with the Canadian securities regulatory authorities on SEDAR on March 25, 2009, authored by Dyane Duquette, P.Geo., Louise Grondin, P.Eng., Pierre Matte, Eng. and Camil Prince, Eng.

Creston Mascota Deposit at Pinos Altos Mineral Reserves and Mineral Resources

	As at December 31,		
	2016	**2015**	**2014**
Gold and Silver			
Proven mineral reserves – tonnes	65,000	187,000	187,000
Average gold grade – grams per tonne	0.94	0.68	0.76
Average silver grade – grams per tonne	8.07	8.05	8.60
Probable mineral reserves – tonnes	2,426,000	4,026,000	5,657,000
Average gold grade – grams per tonne	1.29	1.33	1.27
Average silver grade – grams per tonne	11.44	12.21	13.63
Total proven and probable mineral reserves – tonnes	**2,491,000**	**4,213,000**	**5,844,000**
Average gold grade – grams per tonne	**1.28**	**1.30**	**1.25**
Average silver grade – grams per tonne	**11.35**	**12.02**	**13.47**
Total contained gold ounces	**102,000**	**176,000**	**236,000**
Total contained silver ounces	**909,000**	**1,628,000**	**2,530,000**

Notes:

(1) The 2016 proven and probable mineral reserve estimates set out in the table above at the Creston Mascota deposit at Pinos Altos are estimated based on a net smelter return cut-off value of the open pit ore of $10.22 per tonne. The metallurgical gold recovery used in the reserve estimates was 63%. The metallurgical silver recovery used in the reserve estimates was 15%. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 1% increase or 4% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the Creston Mascota deposit at Pinos Altos contained indicated mineral resources of 4,292,000 tonnes grading 1.01 grams of gold per tonne and 16.98 grams of silver per tonne and inferred mineral resources of 1,332,000 tonnes grading 0.72 grams of gold per tonne and 11.54 grams of silver per tonne. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Creston Mascota deposit by category at December 31, 2016 with those at December 31, 2015. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2016.

	Proven	Probable	Total
December 31, 2015	187	4,026	4,213

Processed in 2016	2,119	–	2,119
Revision	1,997	(1,600)	397
December 31, 2016	**65**	**2,426**	**2,491**

(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 Creston Mascota deposit at Pinos Altos may be found in the Pinos Altos Gold-Silver Mining Project, Chihuahua State, Mexico, Technical Report on the Mineral Resources and Reserves as of December 31, 2008 filed with the Canadian securities regulatory authorities on SEDAR on March 25, 2009, authored by Dyane Duquette, P.Geo., Louise Grondin, P. Eng., Pierre Matte, Eng. and Camil Prince, Eng.

La India Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2016	**2015**	**2014**
Gold			
Proven mineral reserves – tonnes	213,000	244,000	99,000
Average gold grade – grams per tonne	0.61	0.68	0.53
Average silver grade – grams per tonne	14.67	12.69	8.62
Probable mineral reserves – tonnes	43,756,000	29,743,000	24,783,000
Average gold grade – grams per tonne	0.72	0.90	0.85
Average silver grade – grams per tonne	2.57	4.16	6.06
Total proven and probable mineral reserves – tonnes	**43,969,000**	**29,987,000**	**24,882,000**
Average gold grade – grams per tonne	**0.72**	**0.90**	**0.85**
Average silver grade – grams per tonne	**2.63**	**4.23**	**6.07**
Total contained gold ounces	**1,020,000**	**867,000**	**679,000**
Total contained silver ounces	**3,716,000**	**4,081,000**	**4,859,000**

Notes:

(1) The 2016 proven and probable mineral reserve estimates set out in the table above for the La India mine were estimated using an average metallurgical gold recovery of 40% to 89% depending on the zone. The cut-off grade used for mineral reserves varied depending on the deposit from 0.20 grams of gold per tonne to 0.40 grams of gold per tonne. Marginal cut-off grades varied depending on domain from 0.13 grams of gold per tonne to 0.27 grams of gold per tonne. The estimated operating cost used for the mineral reserve estimate as of December 31, 2016 was $6.15 per tonne. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 6% increase or 14% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2016, the La India mine (including the Tarachi deposit) contained measured mineral resources of 11,127,000 tonnes grading 0.24 grams of gold per tonne and 2.37 grams of silver per tonne, indicated mineral resources of 63,081,000 tonnes grading 0.39 grams of gold per tonne and 0.70 grams of silver per tonne and inferred mineral resources of 92,631,000 tonnes grading 0.38 grams of gold per tonne and 0.39 grams of silver per tonne. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table shows the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the La India mine by category at December 31, 2016 with those at December 31, 2015. Revision means additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities and metallurgical testing during 2016.

	Proven	**Probable**	**Total**
December 31, 2015	244	29,743	29,987
Processed in 2016	5,837	–	5,837
Revision	5,806	14,013	19,819
December 31, 2016	**213**	**43,756**	**43,969**

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

Principal Products and Distribution

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

Employees

As of December 31, 2016, the Company had 8,377 employees comprised of 5,223 permanent employees, 2,550 contractors, 506 temporary employees and 98 students. Of the permanent employees, 819 were employed at the LaRonde mine, 134 at the Lapa mine, 316 at the Goldex mine, 694 at the Canadian Malartic mine (with an additional 24 in the Canadian Malartic office and an additional 16 at the Kirkland Lake and Hammond Reef properties) 409 at the Kittila mine (with an additional 11 at the Finnish exploration group), 718 at the Meadowbank mine (including one at the Baker Lake office and 29 in Quebec), 33 at the Meliadine project, 1,007 at the Pinos Altos mine, 256 at the Creston Mascota deposit at Pinos Altos, 382 at the La India mine, 90 in the exploration group in Mexico, 18 at the regional office in Mexico, 38 in the exploration group in Canada and the United States, 135 at the regional technical office in Abitibi, four at the regional office in Tucson, five at the regional office in Sweden and 114 at the corporate head office in Toronto. The number of permanent employees of the Company at the end of 2016, 2015 and 2014 was 5,223, 5,093 and 5,187, respectively.

Competitive Conditions

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

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

Sustainable Development

In 2016, 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 (the "Sustainable Development Policy") that reflects the Company's commitment to responsible mining practices. The Company believes that the Sustainable Development Policy will lead to the achievement of more sustainable practices through oversight and accountability.

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

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

The RMMS also integrates the requirements of the Mining Association of Canada's industry-leading Towards Sustainable Mining Initiative (the "TSM Initiative"), as well as the Global Reporting Initiative's sustainability reporting guidelines for the mining industry. In December 2010, the Company became a member of the Mining Association of Canada and endorsed the TSM Initiative. The TSM Initiative 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.

The Company has adopted and implemented the World Gold Council's Conflict-Free Gold Standard. This implementation was initiated on January 1, 2013.

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

Employee Health and Safety

The Company's overall health and safety performance, as measured by accident frequency, improved during 2016. A combined lost-time and restricted work accident frequency rate (excluding the Canadian Malartic mine) of 1.04 was achieved, a 15% reduction from the 2015 rate of 1.23 and substantially below the target rate of 1.40. This is the best combined accident frequency rate ever recorded by the Company. Extensive health and safety training was also provided to employees during 2016.

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 "AMQ"), the safety card system teaches workers and supervisors to use risk-based thinking in their duties. Workers and their supervisors must meet every day to discuss on-the-job health and safety matters. The safety card system also allows the Company's workers and supervisors to document daily inspections and record observations on conditions in the workplace, as well as the nature of risks, issues and other relevant information. In addition, it allows supervisors to exchange and analyze all relevant information between shifts and various technical services to improve efficiency and safety.

In 2016, the AMQ acknowledged the Company's strong performance in the area of health and safety, recognizing 28 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 or more hours supervised without a lost-time accident. Together, this group of 28 supervisors achieved more than 2,000,000 hours supervised without a lost-time accident for a member of their crew.

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

The Canadian Malartic mine's combined accident frequency rate in 2016 was 1.4, compared to an objective of 1.2 and the 2015 rate of 1.28.

Community

The Company's goal, at each of its operations worldwide, is to hire as much of its workforce as possible, including management teams, directly from the local region in which the operation is located. In 2016, the overall company average for local hiring was 76%. The Company believes that providing employment is one of the most significant contributions it can make to the communities in which it operates.

The Company continued its efforts in community development agreements in Nunavut. In 2015, the Meadowbank IIBA was renewed and the Meliadine IIBA was signed. In 2016, the Company continued its dialogue with First Nations in the Abitibi region. The Partnership has entered into negotiations with First Nations around the Kirkland Lake project and has also initiated a dialogue with First Nations in the Abitibi region.

The Canadian Malartic mine continued its contribution to the economic development fund (FEMO) which was established prior to mine development to diversify the local economy throughout the mine life so that the town of Malartic is well equipped to face the eventual mine closure. The Canadian Malartic mine has also participated in forums initiated by the town council on the future of the town of Malartic. Approximately 98% of the hiring in 2016 at the Canadian Malartic mine was from the local area.

In 2016, the Company continued its support of the Kivalliq Mine Training Society and for the unique upward mobility training program for Inuit employees developed at Meadowbank. This program provides training and career path opportunities for Inuit with limited education and work experience in the area of heavy equipment operations, mill operations and site services. Skills acquired through the program are easily transferable to other sectors of the Nunavut economy.

For the eighth 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.

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

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

In 2015, Environment Canada charged the Company with two infractions under the *Fisheries Act* in relation to a seepage incident at the Meadowbank mine that was identified during a July 2013 on-site inspection. Monitoring data indicated that the 2013 seepage event did not affect the water quality of the downstream Second Portage Lake. Discussions are underway to attempt to resolve the matter but, if unsuccessful, a trial would not likely occur until 2018.

With respect to activities in 2016, the Canadian Malartic mine received one non-compliance blast notice and ten non-compliance noise notices (which includes notices received in instances where noise levels were otherwise within the municipal noise limits), a decrease from the 25 infractions received with respect to activities in 2015. The mine's team of on-site environmental experts continue to monitor regulatory compliance in terms of approvals, permits and observance of directives and requirements and continue to implement improvement measures.

The Company's total liability for reclamation and closure cost obligations at December 31, 2016 was $296 million (including the Company's share of the Canadian Malartic reclamation costs) and the Company's reclamation expenses for the year ended December 31, 2016 were $0.6 million. For more information please see note 13 to the Annual Financial Statements.

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

RISK FACTORS

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

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

The Company's earnings are directly related to commodity prices, as revenues are derived from the sale of gold, silver, zinc and copper. Gold prices, which have the greatest impact on the Company's financial performance, fluctuate widely and are affected by numerous factors, including central bank purchases and sales, producer hedging and de-hedging activities, expectations of inflation, 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, all of which are beyond the Company's control. The aggregate effect of these factors is impossible to predict with accuracy. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities or world events. 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 all-in sustaining costs per ounce of production at one or more of its mines or 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 mines or projects or at other mines or projects. In addition, such fluctuations may require changes to the mine plans. The Company's current mine plans and mineral reserve and mineral resource estimates are based on a gold price of $1,150 per ounce, other than the Canadian Malartic mine, the Meliadine project and the Upper Beaver project, where mineral reserves and mineral resources are based on gold prices of $1,200 per ounce, $1,100 per ounce and $1,200 per ounce, respectively (see "Operations and Production – Mineral Reserves and Mineral Resources – Information on Mineral Reserves and Mineral Resources of the Company"); if the price of gold falls below such levels, the mines may be rendered uneconomic and production may be suspended. In addition, lower gold prices may require the mine plans to be changed, which may result in reduced production, higher costs than anticipated, or both, and estimates of mineral reserves and mineral resources may be reduced. Further, the prices received from the sale of the Company's by-product metals produced at its LaRonde mine (silver, zinc and copper) and its Pinos Altos, La India and Canadian Malartic mines (silver) affect the Company's ability to meet its targets for total cash costs per ounce or all-in sustaining costs per ounce of gold produced when such measures are calculated on a by-product basis. These by-product metal prices fluctuate widely and are also affected by numerous factors beyond the Company's control. The Company's policy and practice is not to sell forward its future gold production; however, under the Company's Board-approved price risk management policy, the Company may review this practice on a project by project basis. See "Risk Profile – Commodity Prices and Foreign Currencies" and "Risk Profile – Financial Instruments" in the Annual MD&A for more details on the Company's use of derivative instruments. The Company occasionally uses derivative instruments to mitigate the effects of fluctuating by-product metal prices; however, these measures may not be successful.

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

	2017 (to March 22)	2016	2015	2014	2013	2012
High price ($ per ounce)	1,257	1,366	1,296	1,385	1,694	1,792
Low price ($ per ounce)	1,151	1,077	1,049	1,142	1,192	1,540
Average price ($ per ounce)	1,216	1,251	1,160	1,266	1,411	1,669

On March 22, 2017, the London P.M. Fix was $1,249 per ounce of gold.

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

Based on 2017 production estimates, the approximate sensitivities of the Company's after-tax income to a 10% change in certain metal prices from 2016 market average prices are as follows:

	Income per share
Gold	$0.13
Silver	$0.01
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 its LaRonde mine and Canadian Malartic mines in Quebec, 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 and at the LaRonde mine and Canadian Malartic mines in Quebec accounted for approximately 19%, 18% and 18%, respectively, of the Company's gold production in 2016 and are expected to account for approximately 21%, 20% and 19%, respectively, of the Company's gold production in 2017. Also, in 2016 the Meadowbank, LaRonde and Canadian Malartic mines accounted for approximately 15%, 19% and 17%, respectively, of the Company's operating margin. Any adverse condition affecting mining or milling conditions at these mines could be expected to have a material adverse effect on the Company's financial performance and results of operations (see "– If the Company experiences mining accidents or other adverse conditions, the Company's mining operations may yield less gold than indicated by its estimated gold production" 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 and the Amaruq satellite deposit at Meadowbank as a result of their remote location" below).

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

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

The Meadowbank mine, which is the Company's largest mine in terms of production, is located in the Kivalliq District of Nunavut in northern Canada, approximately 70 kilometres north of Baker Lake. In addition, the Amaruq deposit, located 50 kilometres northwest of the Meadowbank mine, has received Board approval (pending receipt of the required permits) to be developed as a satellite operation to the Meadowbank mine (production at Amaruq is currently forecast to begin in the third quarter of 2019). The closest major city to the Meadowbank mine is Winnipeg, Manitoba, approximately 1,500 kilometres to the south. The Company built a 110-kilometre all-weather road from Baker Lake, which provides summer shipping access via Hudson Bay to the Meadowbank mine and the Company is building an all-weather road between Meadowbank and the Amaruq property. However, the Company's operations are constrained by the remoteness of the mine, particularly as the port of Baker Lake is only accessible approximately ten weeks per year. Most of the materials that the Company requires for the operation of the Meadowbank mine and the development of the Amaruq deposit must be transported through the port of Baker Lake during this shipping season, which may be further truncated due to weather conditions. If the Company is unable to acquire and transport necessary supplies during this time, or if ore transportation from Amaruq to Meadowbank is negatively affected, it may result in a slowdown or stoppage of operations at

the Meadowbank mine or the development of the Amaruq deposit. 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 (including at the Amaruq deposit) may require the slowdown or stoppage of operations. For example, a March 2011 fire at the kitchen facilities of the Meadowbank mine required operations to be reduced at the mine, which resulted in gold production at the mine being below expected levels in 2011.

The Company's Meliadine mine project, 290 kilometres southeast of the Meadowbank mine, has received Board approval for construction (production at Meliadine is currently forecast to begin in the third quarter of 2019), 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 develop and operate the Meliadine mine project must be transported through the port of Rankin Inlet during its approximately 14-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, construction, development and exploration of the property.

The remoteness of the Meadowbank mine, the Amaruq deposit and Meliadine mine 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 contractors on a timely basis, the Company's operations at the Meadowbank mine (including the development of the Amaruq deposit) and construction of a mine at the Meliadine mine project may be adversely affected.

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

The Company's gold production may 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, among other things, during the course of mining or processing, unfavourable weather conditions, ground conditions, high geomechanical stress areas or seismic activity are encountered, ore grades are lower than expected, the physical or metallurgical characteristics of the ore are less amenable than expected to mining or treatment, dilution increases, electrical power is interrupted or heap leach processing results in containment discharge.

While the Company has met or exceeded gold production forecasts since 2012, it failed to do so in five of the previous ten years primarily due to: mining lower grade gold zones in 2007; delays in the commissioning of the Goldex production hoist and the Kittila autoclave in 2008; autoclave issues at Kittila, filtering issues at Pinos Altos and dilution issues at Lapa in 2009; lower throughput at the Meadowbank mill due to a bottleneck in the crushing circuit and continued autoclave issues at the Kittila mine in the first half of the year in 2010; and suspension of mining operations at the Goldex mine due to geotechnical concerns with the rock above the mining horizon, a fire in the Meadowbank mine kitchen complex that negatively impacted production and lower than expected grades at the Meadowbank and LaRonde mines in 2011.

Despite meeting or exceeding production forecasts since 2012, gold production was negatively affected by: the temporary suspension of heap leach operations at the Creston Mascota deposit at Pinos Altos as a result of issues with the phase one leach pad liner in 2012; an extended maintenance shutdown at Kittila during the second quarter, during which the mine only operated for 14 days, and a 16-day unplanned shutdown related to the LaRonde hoist drive in 2013; ten days of downtime resulting from a production hoist drive failure at LaRonde in 2014; and lower than expected grades at Kittila and a decision during the year to extend the Vault pit at Meadowbank resulting in lower than expected production in 2015.

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

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

The Company's operating results and cash flow are significantly affected by changes in the U.S. dollar/Canadian dollar exchange rate. All of the Company's revenues are earned in U.S. dollars but the majority of its operating costs at the LaRonde, Lapa, Goldex, Canadian Malartic and Meadowbank mines, as well as the Company's development costs at the Meliadine mine project, and the Amaruq deposit are incurred in Canadian dollars. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. From January 1, 2012 to January 1, 2017, the Noon

Buying Rate fluctuated from a high of C$1.0299 per $1.00 to a low of C$0.6854 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 2017 after-tax operating results, a 10% change in the U.S. dollar/Canadian dollar exchange rate from the 2016 market average exchange rate would affect net income by approximately $0.11 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 – Commodity Prices and Foreign Currencies" in the Annual MD&A for a description of the assumptions underlying the sensitivity calculations. In addition, the majority of the Company's operating costs at the Kittila mine are incurred in Euros and a significant portion of operating costs at the Pinos Altos and La India mines are incurred in Mexican pesos. Each of these currencies has also fluctuated significantly against the U.S. dollar over the past several years. There can be no assurance that the Company's foreign exchange derivatives strategies will be successful or that foreign exchange fluctuations will not materially adversely affect the Company's financial performance and results of operations.

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

The Company's production forecasts are based on full production being achieved at all of its mines, 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 2017 may be lower than anticipated if the anticipated full production rate cannot be achieved.

The Company believes that the LaRonde mine extension, which commenced operation in late 2011, is the deepest operation in the Western Hemisphere with a currently expected maximum depth of 3,110 metres below the surface and, in 2017, 87% of the LaRonde mine's production is anticipated to be from the LaRonde mine extension. The LaRonde mine extension continues to move towards operating at anticipated steady state levels. The Company's operations at the LaRonde mine extension rely on infrastructure installed in connection with the extension for hauling ore and materials to the surface, including a winze and a series of ramps linking mining deposits to the Penna Shaft that services historic operations at the LaRonde mine. The depth of the operations poses significant challenges to the Company, such as geomechanical and seismic risks and ventilation and air conditioning requirements, which may result in difficulties and delays in achieving gold production objectives. Operations at the lower level of the LaRonde mine are subject to high levels of geomechanical stress and there are few resources available to assist the Company in modelling the geomechanical conditions at these depths, which may result in the Company not being able to extract the ore at these levels as currently contemplated. In 2012, challenges associated with excess heat and congestion at the lower parts of the mine delayed the ramp up of production and, in 2013, throughput at the LaRonde mine was reduced as a result of 16 days of unplanned shut down to the hoist drive. In 2014, ten days of downtime resulting from a production hoist drive failure resulted in annual production at LaRonde being approximately 10,000 ounces below the Company's expectations. In addition, the Company is evaluating the potential to mine below the currently planned 3.1 kilometre depth at LaRonde, or the LaRonde 3 deposit.

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, at Kittila, milling operations were required to be expanded. The construction and operation of underground mining facilities and the expansion of milling 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.

The Amaruq satellite deposit at Meadowbank and the Meliadine project, both of which are expected to commence mining operations in the third quarter of 2019, are both located in the Kivalliq District of Nunavut. The Company may experience difficulties developing the Meliadine project and the Amaruq satellite deposit at Meadowbank as a result of their remote location (see "– The Company may experience difficulties operating its Meadowbank mine and developing the Meliadine project and the Amaruq satellite deposit at Meadowbank as a result of their remote location." above). In addition, the extremely harsh weather conditions that are experienced in the Kivalliq District of Nunavut may result in construction delays that could result in delays to the commencement of mining operations at either or both of the Amaruq satellite deposit at Meadowbank and the Meliadine project or increased costs in developing the projects.

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

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

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

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

The 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 mineral resource estimates are based on gold recoveries in small scale laboratory tests and may not be indicative of the mineralization in the entire orebody and the Company may not be able to achieve similar results in larger scale tests under on-site conditions or during production. The ore grade actually recovered by the Company may differ from the estimated grades of the mineral reserves and mineral resources. The estimates of mineral reserves and mineral resources have been determined based on assumed metal prices, foreign exchange rates and operating costs. For example, the Company has estimated proven and probable mineral reserves based on, among other things, a $1,150 per ounce gold price ($1,200 for Canadian Malartic and the Upper Beaver project and $1,100 for Meliadine). The yearly average gold price has been above $1,150 per ounce since 2010; however, prior to that time, yearly average gold prices were below $1,150 per ounce. Prolonged declines in the market price of gold (or applicable by-product metal prices) may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves. Should such reductions occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. The Company used an assumed $1,250 long-term gold price to test for impairment of its mines and concluded no impairments existed as at December 31, 2016. Market price fluctuations of gold (or applicable by-product metal prices), as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral resources. Short-term factors relating to the mineral reserve, such as the need for orderly development of orebodies or the processing of new or different grades, may impair the profitability of a mine in any particular accounting period.

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

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

The Company may experience operational difficulties at its foreign operations.

The Company's operations include a mine in Finland and two mines in northern Mexico. Collectively, these mines accounted for approximately 34% of the Company's gold production in 2016 and are expected to account for approximately 32% of the Company's gold production in 2017. 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; security issues (including thefts of gold from a mine); changing political conditions; and currency controls. In addition, the Company must comply with multiple and potentially conflicting regulations in Canada, the United States, Finland and Mexico, including export requirements, taxes, tariffs, import duties and other trade barriers, as well as health, safety and environmental requirements.

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

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

In the future, the Company may choose to operate in foreign jurisdictions other than Finland and Mexico. For example, the Company currently has exploration properties in each of the United States and Sweden, as well as strategic investments in companies holding properties in Brazil, the Dominican Republic and Panama. Such operations would inherently be

subject to various levels of political, economic and other risks and uncertainties that are different from those encountered at the Company's Canadian, Finnish and Mexican properties.

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

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

To the extent that the Company is not the operator of its joint venture properties, the Company will be dependent on the operators for the timing of activities related to these properties and the Company will be largely unable to direct or control the activities of the operators. The Company also will be subject to the decisions made by the operators regarding activities at the properties, and will have to rely on the operators for accurate information about the properties. Although the Company expects that the operators of the properties in which it owns a joint venture interest will operate these properties in accordance with industry standards and in accordance with any applicable operating agreements, there can be no assurance that all decisions of the operators will achieve the expected goals.

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

The Company conducts annual impairment assessments of goodwill and at the end of each reporting period the Company assesses whether there is any indication that long-lived assets (such as mining properties and plant and equipment) may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. Testing for impairment involves a comparison of the recoverable amount of the cash generating unit to its carrying value. An impairment charge is recognized for any excess of the carrying amount of the asset group or reporting unit over its recoverable amount. As at December 31, 2016, the Company tested for impairment of its mines and projects and concluded no impairments existed.

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

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. In addition, under IFRS, there may be instances where there may be an impairment reversal of the value of an asset (where an impairment charge had previously been recorded) which may lead to volatility in the Company's earnings.

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 BNS Letter of Credit Facility (as defined below). At March 22, 2017, there was $0.8 million drawn under the bank credit facility (including under letters of credit) and approximately C$333 million drawn under the Company's other letter of credit facilities. If an event of default under the unsecured revolving bank credit facility or the guaranteed senior unsecured notes occurs, the Company would be unable to draw down further on the bank credit facility and the lenders could elect to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due and it could cause an event of default under the Company's guaranteed senior unsecured notes and other letter of credit facilities. An event of default under the unsecured revolving bank credit facility, the guaranteed senior unsecured notes or the uncommitted letter of credit facilities may also give rise to an event of default under other existing and future debt agreements and, in such event, the Company may not have sufficient funds to repay amounts owing under such agreements.

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

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

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

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

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

Success at the Company's mines, development projects and exploration projects is dependent on the efforts of the Company's employees and contractors. The Company competes with mining and other companies on a global basis to attract and retain employees at all levels with appropriate technical skills and operating experience necessary to operate its mines. Relationships between the Company and its employees may be affected by changes in the scheme of 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'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, and in the future may operate in or explore additional, areas currently or traditionally inhabited or used by indigenous peoples and subject to indigenous rights or claims. 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.

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 Amaruq deposit and the construction at the Meliadine mine 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 $859 million in 2017. As at March 22, 2017, the Company had approximately $1.2 billion available to be drawn down 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 2017 capital expenditures for all of its current properties. However, if cash from operations is lower than expected or capital costs at the Company's mines or projects exceed current estimates, if the Company incurs major unanticipated expenses related to exploration, development or maintenance of its properties or for other purposes, or if advances from the bank credit facility are unavailable, the Company may be required to seek, or may deem it advantageous to seek, additional financing to maintain its capital expenditures at planned levels. In addition, the Company will have additional capital requirements to the extent that it decides to expand its present operations and exploration activities, construct additional mining and processing operations at any of its properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may arise.

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

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

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

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

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

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

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

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. In 2015, Canada established a greenhouse gases reduction target of 30% from 2005 levels by 2030. In December 2015, Canada signed the Paris Agreement to limit the global average temperature rise below 2^{o}C and pursue efforts to limit the increase to 1.5 ^{o}C. By the fall of 2016, the provinces and the federal government have committed to agree on a pan-Canadian framework on clean growth and climate change. Canada's federal and provincial regulations also impose mandatory greenhouse gas emissions reporting requirements and the Company's Quebec mines are subject to cap and trade regulation. Similarly, Finland was a signatory to the Paris Agreement and participates in the European Union's cap and trade system. Mexico is also a party to the Paris Agreement and has enacted climate change legislation with a greenhouse gas emission reduction target of 25% (unconditional) to 40% (conditional) from 2013 business as usual levels by 2030.

The Company monitors and reports annually its direct and indirect greenhouse gas emissions to the international Carbon Disclosure Project. In Quebec, the Company primarily uses hydroelectric power and is not a large producer of greenhouse gases. As a result, Quebec's regulatory requirements are not expected to have a material adverse effect on the Company. In 2016, the Company's total greenhouse gases emissions (direct and indirect) were approximately 400,000 tonnes equivalent CO2. In 2016, the Meadowbank mine produced approximately 186,000 tonnes of greenhouse gases (direct and indirect) mostly from the production of electricity from diesel power generation, which is approximately 46% of the Company's total greenhouse gas emissions (without accounting for the Canadian Malartic mine). It is expected that mining operations at the Meliadine project and Amaruq deposit at Meadowbank will also primarily use diesel power generation.

The Pinos Altos mine purchases electricity that is largely fossil-fuel generated and, as a result, it is the Company's second highest greenhouse gas producer (approximately 103,000 tonnes of greenhouse gases in 2016), which is approximately 26% of the Company's total direct and indirect greenhouse gas emissions (without accounting for the Canadian Malartic mine). While the evolving regulatory requirements in respect of greenhouse gases and the additional costs required to comply are not expected to have a material adverse effect on the Company's operations, such requirements may 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.

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 (from theft or otherwise). Such occurrences could result in, among other things, damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. As well, risks may arise with respect to the management of tailings, 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, among other things, pollution, cave-ins or other hazards against which it cannot insure or against which it has elected not to insure because of high premium costs or other reasons, or the Company may become subject to liabilities which exceed policy limits. In these circumstances, the Company may incur significant costs that could have a material adverse effect on its financial performance and results of operations. Financial assurances may also be required with respect to closure and rehabilitation costs.

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

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

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

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

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. 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 use of derivative instruments for the Company's by-product metal production may prevent gains from being realized from subsequent by-product metal price increases.

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 by-product 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 by-product metal derivative

strategies will benefit the Company in the future. There is a possibility that the Company could lock in forward deliveries at prices lower than the market price at the time of delivery. In addition, the Company could fail to produce enough by-product metals to offset its forward delivery obligations, requiring the Company to purchase the metal in the spot market at higher prices to fulfill its delivery obligations or, for cash settled contracts, make cash payments to counterparties in excess of by-product revenue. If the Company is locked into a lower than market price forward contract or has to buy additional quantities at higher prices, its net income could be adversely affected. None of the current contracts establishing the by-product metal derivatives positions qualify for hedge accounting treatment under IFRS and therefore any year-end mark-to-market adjustments are recognized in the "(Gain) loss on derivative financial instruments" line item of the consolidated statements of income and comprehensive income. See "Risk Profile – Financial Instruments" in the Annual MD&A for additional information.

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

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

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

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

The Company is dependent on information technology systems.

The Company's operations depend, in part, upon information technology systems. The Company`s information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, computer viruses, security breaches, natural disasters, power loss and defects in design. Although to date the Company has not experienced any material losses relating to information technology system disruptions, damage or failure, there can be no assurance that it will not incur such losses in the future. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of the Company's systems and networks, any of which could have adverse effects on the Company`s reputation, results of operations and financial performance.

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

Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX") requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. Section 404 of SOX also requires an annual attestation report by the Company's independent auditors addressing the effectiveness of the Company's internal control over financial reporting. The Company has completed its Section 404 assessment and received the auditors' attestation as of December 31, 2016.

If the Company fails to maintain the adequacy of its internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, the Company may not be able to conclude that it has effective internal control over financial reporting in accordance with Section 404 of SOX. The Company's failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading

price of its common shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. Future acquisitions of companies may provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to the Company.

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

DIVIDENDS

The Company's current policy is to pay quarterly dividends on its common shares and, on February 15, 2017, the Company declared a quarterly dividend of $0.10 per common share, payable on March 15, 2017. In 2016, the dividend paid was $0.36 per common share (quarterly payments of $0.08 per common share in quarters one and two and $0.10 per common share in quarters three and four). In 2015 and 2014, the dividend paid was $0.32 per common share (quarterly payments of $0.08 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 Board. In the event of voluntary or involuntary liquidation, dissolution or winding-up of the Company, after payment of all outstanding debts, the remaining assets of the Company available for distribution would be distributed rateably to the holders of the common shares. Holders of the common shares of the Company have no pre-emptive, redemption, exchange or conversion rights. The Company may not create any class or series of shares or make any modification to the provisions attaching to the Company's common shares without the affirmative vote of two-thirds of the votes cast by the holders of the common shares.

RATINGS

The rating of the Company's notes (the "Notes") issued under the Note Purchase Agreements (as defined under "Material Contracts – Note Purchase Agreements") by the rating agency Dominion Bond Rating Service ("DBRS") as at December 31, 2016 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 DBRS by the Company and information obtained by DBRS from publicly available sources. The credit rating given to the Company's Notes by DBRS is not a recommendation to buy, hold or sell debt instruments since such rating does not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment,

circumstances so warrant. Credit ratings are intended to provide investors with: (i) an independent measure of the credit quality of an issue of securities; (ii) an indication of the likelihood of repayment for an issue of securities; and (iii) an indication of the capacity and willingness of the issuer to meet its financial obligations in accordance with the terms of those securities. The credit rating accorded to the Notes may not reflect the potential impact of all risks on the value of debt instruments, including risks related to market or other factors discussed in this AIF. If DBRS lowers the credit rating on the Notes, particularly a downgrade below investment grade, it could adversely affect the Company's cost of financing and access to liquidity and capital. See also "Risk Factors". The Company pays DBRS an annual fee in connection with the rating of the Notes and an additional fee if and when additional Notes are issued. No other payments have been made to DBRS in respect of other services during the last two years.

MARKET FOR SECURITIES

Common Shares

The Company's common shares are listed and traded on the TSX and on the New York Stock Exchange (the "NYSE") under the symbol "AEM". On March 22, 2017, the closing price of the common shares was C$59.12 on the TSX and $44.37 on the NYSE.

The following table sets forth the high and low sale prices and the average daily trading volume for composite trading of the Company's common shares on the TSX and the NYSE since January 1, 2016.

	TSX			NYSE		
	High (C$)	Low (C$)	Average Daily Volume	High ($)	Low ($)	Average Daily Volume
2016						
January	42.67	37.07	1,766,650	30.29	26.10	2,994,987
February	51.50	40.68	1,914,714	37.24	28.95	3,523,566
March	51.27	44.07	1,604,522	39.49	32.87	2,935,672
April	59.37	45.97	1,249,110	47.33	35.09	2,420,956
May	62.56	56.01	1,413,143	48.47	42.71	2,772,742
June	69.81	58.33	1,387,374	53.79	44.51	2,533,994
July	76.35	67.51	1,076,773	58.53	51.03	1,939,081
August	78.35	65.60	943,430	60.10	50.00	1,596,658
September	74.57	65.38	985,527	57.35	50.00	2,013,586
October	71.34	58.12	1,227,329	54.41	43.93	2,030,711
November	71.16	53.20	1,231,504	53.17	39.48	2,304,881
December	60.00	46.91	1,385,264	44.67	35.05	1,982,900
2017						
January	62.98	55.63	1,158,896	48.27	41.38	1,804,811
February	67.41	55.32	1,129,025	51.21	41.80	1,707,688
March (to March 22)	59.96	52.85	1,211,001	44.76	39.30	1,980,015

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

Sean Boyd, CPA, CA, of Toronto, Ontario, is the Vice-Chairman and Chief Executive Officer and a director of Agnico Eagle. Mr. Boyd has been with Agnico Eagle since 1985. Prior to his appointment as Vice-Chairman and Chief Executive Officer in April 2015, Mr. Boyd served as Vice-Chairman, President and Chief Executive Officer from 2012 to 2015, Vice-Chairman and Chief Executive Officer from 2005 to 2012 and as President and Chief Executive Officer from 1998 to 2005, Vice-President and Chief Financial Officer from 1996 to 1998, Treasurer and Chief Financial Officer from 1990 to 1996, Secretary Treasurer during a portion of 1990 and Comptroller from 1985 to 1990. Prior to joining Agnico Eagle in 1985, he was a staff accountant with Clarkson Gordon (Ernst & Young). Mr. Boyd is a Chartered Accountant and a graduate of the University of Toronto (B.Comm.). Mr. Boyd has been a director of Agnico Eagle since April 14, 1998. *Area of expertise:* Executive Management and 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 has been a director of Agnico Eagle since February 14, 2011. *Area of expertise:* Investment Management.

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

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., a mining consultant firm ("RPA"). She has over 30 years' of international 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 a member of the Committee for Mineral Reserves International Reporting Standards – (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; a member of the CSA's Mining Technical Advisory and Monitoring Committee; and a Guest Lecturer at the Schulich School of Business (M.B.A. in Global Mine Management) at York University. Ms. McCombe holds a degree in Geology from Western University. Ms. McCombe has been a director of Agnico Eagle since February 12, 2014. *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. Now retired, Dr. Riley served as President of St. Francis Xavier University from 1996 to 2014. Prior to 1996, his career was in finance and management, first in corporate banking and later in manufacturing. Dr. Riley is a graduate of St. Francis Xavier University (B.A. (Honours)) and of Oxford University (M. Phil, D. Phil, International Relations). Dr. Riley has been a director of Agnico Eagle since January 1, 2011. *Area of expertise*: Management and Business Strategy.

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

Jamie Sokalsky, CPA, CA, of Toronto, Ontario, is an independent director of Agnico Eagle. Now retired, Mr. Sokalsky has over 20 years' experience as a senior executive in the mining industry, most recently as Chief Executive Officer and President of Barrick Gold Corporation ("Barrick") from June 2012 to September 2014, and as Chief Financial Officer of Barrick from 1999 to June 2012 and Executive Vice President of Barrick from April 2004 to June 2012. Prior to entering the mining industry, Mr. Sokalsky served for 10 years at George Weston Limited and began his professional career at Ernst & Whinney Chartered Accountants (KPMG). Mr. Sokalsky is graduate of Lakehead University (B.Comm. (Honours)). Mr. Sokalsky has been a director of Agnico Eagle since June 2, 2015, and is also the Chairman of the board of directors of Probe Metals Inc. and a director of Pengrowth Energy Corporation and Royal Gold, Inc. *Area of expertise:* Executive Management, Finance and Accounting.

Howard R. Stockford, P.Eng., of Toronto, Ontario, is an independent director of Agnico Eagle. Now retired, Mr. Stockford has over 50 years of experience in the mining 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 CIM 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 and Mining.

Pertti Voutilainen, of Espoo, Finland, is an independent director of Agnico Eagle. Now retired, 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 (Chair), Mel Leiderman, Dr. Sean Riley and Jamie Sokalsky.

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

The members of the Corporate Governance Committee are Pertti Voutilainen (Chair), James D. Nasso and J. Merfyn Roberts.

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

Officers

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

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

Donald G. Allan, CPA, CA, 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.).

Louise Grondin, Eng. P.Eng., of Toronto, Ontario, is Senior Vice-President, Environment, Sustainable Development and People of Agnico Eagle, a position she has held since February 2015. Prior to that, Ms. Grondin was Senior Vice-President, Environment and Sustainable Development and before that she was Vice-President, Environment and Sustainable Development. Prior to her employment with Agnico Eagle, Ms. Grondin worked for Billiton Canada Ltd. as Manager Environment, Human Resources and Safety. Ms. Grondin is a graduate of the University of Ottawa (B.Sc.) and McGill University (M.Sc.). Ms. Grondin is a member of the Professional Engineers of Ontario and of the Ordre des Ingénieurs du Québec.

R. Gregory Laing, of Oakville, Ontario, is General Counsel, 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 graduate of the University of Windsor (LL.B.) and Queen's University (B.A.).

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

Jean Robitaille, of Oakville, Ontario, is Senior Vice-President, Business Strategy and Technical Services of Agnico Eagle, a position he has held since February 2014. Prior to that, he held various positions with Agnico Eagle since 1988, most recently as Senior Vice-President, Technical Services and Project Development, Vice-President, Metallurgy & Marketing, General Manager, Metallurgy & Marketing and Mill Superintendent and Project Manager for the expansion of the LaRonde mill. Prior to joining Agnico Eagle, Mr. Robitaille worked as a metallurgist with Teck Mining Group. Mr. Robitaille is a

director of Orla Mining Ltd. (a mining exploration company) traded on the TSX-V and has served on the board of directors of the Canada Mining Innovation Council since May 2014. Mr. Robitaille is a mining graduate of the College de l'Abitibi Témiscamingue with a specialty in mineral processing.

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

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

Shareholdings of Directors and Officers

As at March 22, 2017, the directors and officers of Agnico Eagle, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 478,872 common shares or approximately 0.2% of the 225,959,956 issued and outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

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

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

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

Conflicts of Interest

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

AUDIT COMMITTEE

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

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

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

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

Composition of the Audit Committee

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

Relevant Education and Experience

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

Pre-Approval Policies and Procedures

In 2003, the Audit Committee established a policy to pre-approve all services provided by the Company's independent public auditor, Ernst & Young LLP. The Audit Committee determines which non-audit services the independent auditors are prohibited from providing and authorizes permitted non-audit services to be performed by the independent auditors to the extent those services are permitted by SOX and other applicable legislation and regulations. All fees paid to Ernst & Young LLP in 2016 were pre-approved by the Audit Committee.

External Auditor Service Fees

Ernst & Young LLP has served as the Company's independent public auditor for each of the fiscal years ended December 31, 2016 and 2015. Fees paid to Ernst & Young LLP in 2016 and 2015 are set out below.

	Year Ended December 31,	
	2016	**2015**
	(C$ thousands)	
Audit fees	2,461	2,305
Audit-related fees[(1)]	118	222
Tax fees[(2)]	851	308
All other fees[(3)]	144	214
Total[(4)]	**3,574**	**3,049**

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

Goldex

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. The plaintiffs alleged that the Company's public disclosure concerning water flow issues at the 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 sought, among other things, damages of C$250 million.

On March 28, 2012, the Company and certain of its current and former officers, some of whom also are or were directors of the Company, were named as respondents in a Motion for Leave to Institute a Class Action and for the Appointment of a Representative Plaintiff (the "Quebec Motion"). The action was 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 was for damages of C$100 million arising as a result of allegedly misleading disclosure by the Company concerning its operations at the Goldex mine.

Following mediation, the proceedings were settled for C$17.0 million without any admission of liability pursuant to a settlement approved by the Ontario and Quebec courts in February 2016. The amount of the settlement has been covered by the insurers to the Company.

Canadian Malartic

Class Action

On August 2, 2016, the Partnership was served with a class action lawsuit with respect to allegations involving the Canadian Malartic mine. The lawsuit was filed by Louis Trottier with the Superior Court of Quebec. The complaint is in respect of "neighbourhood annoyances" arising from dust, noise, vibrations and blasts at the mine. The plaintiffs are seeking damages in an unspecified amount as well as punitive damages in the amount of C$20 million. Proceedings for

the certification of the class are scheduled for April 11 and 12, 2017. The Company and the Partnership will take all necessary steps to defend themselves against this lawsuit.

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

Injunction

On August 15, 2016, the Partnership received notice of an application for injunction relating to the Canadian Malartic mine, which had been filed by Dave Lemire with the Superior Court of Quebec under the *Environment Quality Act* (Quebec). A hearing related to an interlocutory injunction was completed on March 17, 2017 and a decision of the Superior Court of Quebec is pending. The request for injunction aims to restrict the Canadian Malartic mine's mining operations to sound levels and mining volumes below the limits to which it is subject. The Company and the Partnership have reviewed the injunction request, consider the request without merit and will take all reasonable steps to defend against this injunction. While at this time the potential impacts of the injunction cannot be definitively determined, the Company expects that if the injunction were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in production and shift reductions resulting in the loss of jobs.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described in this AIF, since January 1, 2014, no director, officer or 10% shareholder of the Company or any associate or affiliate of any such person or shareholder, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

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

MATERIAL CONTRACTS

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

Credit Facility

On 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, September 8, 2014, September 30, 2015, June 29, 2016 and October 26, 2016. The Credit Facility matures and all indebtedness thereunder is due and payable on June 22, 2021. 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 0.45% to 1.75%, depending on the Company's credit rating, and through LIBOR advances, bankers' acceptances and letters of credit, priced at the applicable rate plus a margin that ranges from 1.45% to 2.75% depending on the Company's credit rating. The lenders under the Credit Facility are each paid a standby fee at a rate that ranges from 0.29% to 0.55% of the undrawn portion of the facility, depending on the Company's credit rating. The Credit Facility provides for an uncommitted accordion feature which permits the Company to request an increase in the principal amount of the facility by up to $300 million. No increase to the principal amount of the facility will occur pursuant to the accordion feature unless one or more lenders agree to increase their commitments or a new lender agrees to commitments under the Credit Facility. Payment and performance of the Company's obligations under the Credit Facility are guaranteed by each of its material subsidiaries and certain of its other subsidiaries (the "Guarantors" and, together with the Company, each an "Obligor").

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

- incur additional indebtedness;

- pay or declare dividends or make other restricted distributions or payments in respect of the Company's equity securities if 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. 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 $75 million or more;
- a change of control of the Company which is defined to occur upon (a) the acquisition, directly or indirectly, by any means whatsoever, by any person, or group of persons acting jointly or in concert, (collectively, an "offeror") of beneficial ownership of, or the power to exercise control or direction over, or securities convertible or exchangeable into, any securities of the Company carrying in aggregate (assuming the exercise of all such conversion or exchange rights in favour of the offeror) more than 50% of the aggregate votes represented by the voting stock then issued and outstanding or otherwise entitling the offeror to elect a majority of the board of directors of the Company, or (b) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the board of directors of the Company, or the election or appointment of new directors comprising one-half or more of the total number of members of the board of directors in office immediately following such election or appointment; unless, in any such case, the nomination of such directors for election or their appointment is approved by the board of directors of the Company in office immediately preceding such nomination or appointment in circumstances where such nomination or appointment is made other than as a result of a dissident public proxy solicitation, whether actual or threatened (a "Change of Control"); and
- various events relating to the bankruptcy or insolvency or winding-up, liquidation or dissolution or cessation of business of any Obligor.

As at March 22, 2017, there was approximately $0.8 million in the aggregate drawn under the Credit Facility (including outstanding letters of credit).

Letter of Credit Facilities

BNS Letter of Credit Facility

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

Under the terms of the BNS Letter of Credit Facility, the Company may request to be issued one or more letters of credit in a maximum aggregate amount outstanding at any time not exceeding C$350 million. The BNS Letter of Credit Facility may be used by the Company to support (a) reclamation obligations of the Company or its subsidiaries or (b) non-financial or performance obligations of the Company or its subsidiaries that are not directly related to reclamation obligations. If the

Company fails to pay any amount of a reimbursement obligation under the BNS Letter of Credit Facility, including any interest thereon, on the date such amount is due, the overdue amount will bear interest at equal to 2% greater than the prime rate (as calculated under the BNS Letter of Credit Facility). Payment and performance of the Company's obligations under the BNS Letter of Credit Facility are guaranteed by the Guarantors.

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

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

The BNS Letter of Credit Facility provides that upon an event of default, The Bank of Nova Scotia may declare immediately due and payable all amounts drawn under the BNS Letter of Credit Facility.

As at March 22, 2017, there was approximately C$212 million in the aggregate drawn under the BNS Letter of Credit Facility.

TD Letter of Credit Facility

On September 23, 2015, the Company entered into a standby letter of credit facility with The Toronto-Dominion Bank, as lender, providing for a C$150 million uncommitted letter of credit facility (as amended, the "TD Letter of Credit Facility").

Under the terms of the TD Letter of Credit Facility, the Company may request to be issued one or more letters of credit in a maximum aggregate amount outstanding at any time not exceeding C$150 million. The TD Letter of Credit Facility may be used by the Company to support (a) the reclamation obligations of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest or (b) the performance obligations (other than with respect to indebtedness for borrowed money) of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest that are not directly related to reclamation obligations.

Payment and performance of the Company's obligations under the TD Letter of Credit Facility are supported by an account performance security guarantee issued by Export Development Canada ("EDC") in favour of the lender. EDC issued the guarantee in connection with a declaration and indemnity dated September 23, 2015 between EDC and the Obligors (as supplemented, the "EDC Indemnity"). Pursuant to the EDC Indemnity, each of the Obligors has agreed to indemnify EDC against all claims and demands made in respect of any indemnity bonding product issued by EDC pursuant to the EDC Indemnity.

As at March 22, 2017, there was approximately C$70 million in the aggregate drawn under the TD Letter of Credit Facility.

Note Purchase Agreements

On April 7, 2010, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $115 million 6.13% Series A senior notes due 2017, $360 million 6.67% Series B senior notes due 2020 and $125 million 6.77% Series C senior notes due 2022 (the "2010 Note Purchase Agreement"). On July 24, 2012, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $100 million 4.87% Series A senior notes due 2022 and $100 million 5.02% Series B senior notes due 2024 (the "2012 Note Purchase Agreement"). On September 30, 2015, the Company entered into the 2015 Note Purchase Agreement, providing for the issuance of $50 million 4.15% senior notes due 2025 (the "2015 Note Purchase Agreement"). On June 30, 2016, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $100 million 4.54% Series A senior notes due 2023, $200 million 4.84% Series B senior notes due 2026 and $50 million 4.94% Series C senior notes due 2028 (together with the 2010 Note Purchase Agreement, the 2012 Note Purchase Agreement and the 2015 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 total net debt to EBITDA ratio under the Note Purchase Agreements as under the Credit Facility and to maintain a minimum tangible net worth. 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.

None of Alain Thibault, Eng., Alexandre Proulx, Eng., Camil Prince, Eng., Carl Pednault, Eng., Carol Plummer, Eng., Christian Provencher, P.Eng., Christian Roy, Eng., Daniel Doucet, Eng., Dany Laflamme, Eng., Denis Caron, Eng., Dominique Girard, Eng., Donald Gervais, P.Geo., Dyane Duquette, P.Geo., Francis Brunet, P.Eng., François Petrucci, Eng., François Robichaud, Eng., Guy Gosselin, Eng., Jean François Lagueux, Eng., Julie Larouche, P.Geo., Larry Connell, P.Eng., Louise Grondin, P.Eng., Marc Ruel, P.Geo., Michel Julien, P.Eng., Pathies Nawej Muteb, Eng., Paul Cousin, P.Eng., Pierre Matte, Eng., Richard Genest, P.Geo., Eng., Sylvain Boily, Eng., Sylvie Lampron, P.Eng. or Tim Haldane, P.Eng. (each, a "Qualified Person"), each of whom has prepared or certified a report under NI 43-101 or approved scientific and technical information referenced in a filing made by the Company under National Instrument 51-102 – *Continuous Disclosure Obligations* during or relating to the Company's most recently completed financial year, has received a direct or indirect interest in the property of the Company or of any associate or affiliate of the Company. As at the date hereof, each of the Qualified Persons beneficially owns, directly or indirectly, less than one percent of any outstanding securities of the Company or any associate or affiliate of the Company. Each of the Qualified Persons is, or was at the time such person prepared or certified the relevant report under NI 43-101 or approved the relevant scientific and technical information, an officer or employee of the Company and/or one or more of its associates or affiliates.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on 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 13, 2017 relating to the annual and special meeting of shareholders of the Company scheduled for April 28, 2017. Additional financial information is provided in the Annual Financial Statements and Annual MD&A.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER OF THE COMPANY

This Charter shall govern the activities of the audit committee (the "Audit Committee") of the board of directors (the "Board of Directors") of Agnico Eagle Mines Limited (the "Corporation").

I. PURPOSE OF THE AUDIT COMMITTEE

The Audit Committee shall: (a) assist the Board of Directors in its oversight responsibilities with respect to: (i) the integrity of the Corporation's and it's subsidiaries' financial statements, (ii) the Corporation's compliance with legal and regulatory requirements, (iii) the external auditor's qualifications and independence, and (iv) the performance of the Corporation's internal and external audit functions; and (b) prepare any report of the Audit Committee required to be included in the Corporation's annual report 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 Audit Committee (the "Chair").

The Audit Committee shall have the authority to delegate to one or more of its members, responsibility for developing recommendations for consideration by the Audit Committee with respect to any of the matters referred to in this Charter.

II. COMPOSITION

The Audit Committee shall be comprised of a minimum of three directors. No member of the Audit Committee shall be an officer or employee of the Corporation or any of its affiliates for the purposes of the applicable corporate statute. Each member of the Audit Committee shall be an unrelated and independent director as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities. (See Schedule A for 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 Audit Committee by the Board of Directors. The Board of Directors shall designate one member of the Audit Committee as the Chair or, if it fails to do so, the members of the Audit Committee shall appoint the Chair from among its members.

No member of the Audit Committee may earn fees from the Corporation or any of its subsidiaries other than directors fees (which fees may include cash, shares, restricted share units and/or other in-kind consideration ordinarily available to directors, as well as all of the regular benefits that other directors receive). For greater certainty, no member of the Audit Committee shall accept any consulting, advisory or other compensatory fee from the Corporation.

III. MEETINGS

The Audit Committee shall meet at least quarterly or more frequently as required.

As a part of each meeting of the Audit Committee at which the Audit Committee recommends that the Board of Directors approve the annual audited financial statements or at which the Audit Committee reviews the quarterly financial statements, the Audit Committee shall meet in a separate session with the external auditor and, if desired, with management and/or the internal auditor. In addition, the Audit Committee or the Chair shall meet with management quarterly to review the Corporation's financial statements as described in Section IV.5 below and the Audit Committee or a designated member of the Audit Committee shall meet with the external auditors to review the Corporation's financial statements on a quarterly or other regular basis as the Audit Committee may deem appropriate.

The Audit Committee shall seek to act on the basis of consensus, but an affirmative vote of a majority of members of the Audit Committee participating in any meeting of the Audit Committee shall be sufficient for the adoption of any resolution.

IV. RESPONSIBILITIES AND DUTIES

The Audit Committee's primary responsibilities are to:

General

1. review and assess the adequacy of this Charter at least annually and, where necessary or desirable, recommend changes to the Board of Directors;

2. report to the Board of Directors regularly at such times as the Chair may determine to be appropriate but not less frequently than four times per year;

3. follow the process established for all committees of the Board of Directors for assessing the Audit Committee's performance;

Documents/Reports Review

4. review the Corporation's financial statements and related management's discussion and analysis, Annual Information Form ("AIF") and related Form 40-F, Annual Report and any other 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 Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements other than the disclosure referred to in the two immediately preceding paragraphs and periodically assess the adequacy of such procedures;

7. review the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation;

8. review with the Corporation's management any press release of the Corporation which contains 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 Audit Committee, on a regular basis (at least annually), a formal written statement delineating all relationships between the external auditors and the Corporation and discuss with the external auditors any relationships that might affect the external auditors' objectivity and independence;

14. recommend to the Board of Directors any action required to ensure the independence of the external auditors;

15. advise the external auditors of their ultimate accountability to the Board of Directors and the Audit Committee;

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

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

(iv) take into account the opinions of management and the internal audit function in assessing the external auditors' qualifications, independence and performance;

18. present the Audit Committee's conclusions with respect to its evaluation of external auditors to the Board of Directors and take such additional action to satisfy itself of the qualifications, performance and independence of external auditors and make further recommendations to the Board of Directors as it considers necessary;

19. obtain and review a report from the external auditors at least annually regarding: the external auditors' internal quality-control procedures; material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more external audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the external auditors and the Corporation;

20. establish 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, based on the Internal Audit Charter;

22. review and discuss the Corporation's Code of Business Conduct and Ethics and fraud policy and the actions taken to monitor and enforce compliance with the Corporation's Code of Business Conduct and Ethics and fraud 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. oversee and assess management's controls and processes to prevent and detect fraud;

25. receive periodic reports from the internal auditor on findings of fraud as well as significant findings regarding the design and/or operation of internal controls and management responses;

Financial Reporting Process

26. periodically discuss the integrity, completeness and accuracy of the Corporation's internal controls and the financial statements with the external auditors in the absence of the Corporation's management;

27. in consultation with the external auditors, review the integrity of the Corporation's financial internal and external reporting processes;

28. consider the external auditors' assessment of the appropriateness of the Corporation's auditing and accounting principles as applied in its financial reporting;

29. review and discuss with management and the external auditors at least annually and approve, if appropriate, any material changes to the Corporation's auditing and accounting principles and practices suggested by the external auditors, internal audit personnel or management;

30. review and discuss with the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") the procedures undertaken in connection with the CEO and CFO certifications for the interim and annual filings with applicable securities regulatory authorities;

31. review disclosures made by the CEO and CFO during their certification process for the annual and interim filings with applicable securities regulatory authorities about any significant deficiencies in the design or operation of

internal controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Corporation's internal controls;

32. establish regular and separate systems of reporting to the Audit Committee by management and the external auditors of any significant decision made in management's preparation of the financial statements, including the reporting of the view of management and the external auditors as to the appropriateness of such decisions;

33. discuss during the annual audit, and review separately with each of management and the external auditors, any significant matters arising from the course of any audit, including any restrictions on the scope of work or access to required information; whether raised by management, the head of internal audit or the external auditors;

34. resolve any disagreements between management and the external auditors regarding financial reporting;

35. review with the external auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented at an appropriate time subsequent to the implementation of such changes or improvements;

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

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

Disclosure Controls and Procedures

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

39. receive confirmation from the CEO and CFO that reports to be filed with Canadian securities regulatory authorities, the he United States Securities and Exchange Commission and any other applicable regulatory agency:

    (a) have been prepared in accordance with the Corporation's disclosure controls and procedures; and

    (b) contain no material misrepresentations or omissions and fairly presents, in all material respects, the financial condition, results of operations and cash flow as of and for the period covered by such reports;

40. receive confirmation from the CEO and CFO that they have concluded that the disclosure controls and procedures are effective as of the end of the period covered by the reports;

41. discuss with the CEO and CFO any reasons for which any of the confirmations referred to in the two preceding paragraphs cannot be given by the CEO and CFO;

Legal Compliance

42. confirm that the Corporation's management has the proper review system in place to ensure that the Corporation's financial statements, reports, press releases and other financial information satisfy legal requirements;

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

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

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

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

Related Party Transactions

47. review the financial reporting of any transaction between the Corporation and any officer, director or other "related party" as defined within the Corporation's Accounting Policy (including any shareholder holding an interest greater than 5% in the Corporation) or any entity in which any such person has a financial interest;

Reporting and Powers

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

49. exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Audit Committee by the Board of Directors.

V. LIMITATION OF RESPONSIBILITY

While the Audit Committee has the responsibilities and powers provided by this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with international financial reporting standards. This is the responsibility of management (with respect to whom the Audit Committee performs an oversight function) and the external auditors.

SCHEDULE A
TO THE AUDIT COMMITTEE CHARTER OF THE CORPORATION

Unrelated Director

Under the Toronto Stock Exchange rules, "independent director" means a director who:

(a) is not a member of management and is free from any interest and any business or other relationship which in the opinion of the Exchange could reasonably be perceived to materially interfere with the director's ability to act in the best interest of the company; and

(b) is a beneficial holder, directly or indirectly, or is a nominee or associate of a beneficial holder, collectively of 10% or less of the votes attaching to all issued and outstanding securities of the applicant.

The Exchange will consider all relevant factors in assessing the independence of the director. As a general rule, the following persons would not be considered an independent director:

i) a person who is currently, or has been within the past three years, an officer, employee of or service provider to the company or any of its subsidiaries or affiliates; or

ii) a person who is an officer, employee or controlling shareholder of a company that has a material business relationship with the applicant.

Independent Director

National Instrument – 52-110

A director is "independent" if he or she has no direct or indirect material relationship with the issuer. The following summarizes the major aspects of National Instrument 52-110 – *Audit Committees* ("NI 52-110") relating to the independence of a director.

Certain Relationships Automatically Exclude a Director From Serving on the Audit Committee

If a director (or a member of the director's immediate family) has a specified type of relationship with the issuer (which includes the issuer's parent and subsidiary entities), then that director will not be considered independent. NI 52-110 assumes that the following persons have a material relationship with the issuer (and are therefore precluded from sitting on the audit committee):

Employment Relationships

- an individual who is, or has been within the last three years, employee or executive officer of the issuer or an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- an individual who, or whose immediate family member, is, or has been within the last three years, an executive officer of another entity if any of the issuer's current executive officers serves or served at that same time on the compensation committee of that entity;
- an individual who received, or whose immediate family member who is employed as an executive officer of the issuer who received, more than C$75,000 in direct compensation from the issuer during any 12 month period within the last three years (other than remuneration for acting as a member of the board of directors or any board committee of the issuer and fixed amounts received under a retirement plan for prior service with the issuer that is not contingent on continued service);

Relationships with Internal or External Auditors

- an individual who is a partner or employee of the issuer's internal or external auditor or an individual who was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;
- an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual, is (i) a partner of the issuer's internal or external auditor, (ii) an employee of the issuer's internal or external auditor and participates in its audit, assurance or tax compliance (but not tax planning) practice, (iii) or an individual who

was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;

Advisory or Consulting Relationships

- an individual who accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than remuneration for acting as a member of the board or any board committee or as a part-time chair or vice-chair of the board or any board committee, including the indirect acceptance of a fee by an individual's spouse, minor child or stepchild, or child or stepchild who shares the individual's home or by an entity in which such individual is a partner, member, officer such as a managing director or executive officer and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer; and

Relationships with Affiliated Entities

- an individual who is an affiliated entity of the issuer or any of its subsidiary entities, where affiliated entity means a person that has the direct or indirect power to direct or cause the direction of management and the policies of the issuer or any of its subsidiary entities, whether through ownership of voting securities or otherwise (other than an individual who owns, directly or indirectly, ten percent of less of any class of voting securities of the issuer and is not an executive officer of the issuer) or an individual who is both a director and an employee of an affiliated entity or an executive officer, general partner or managing member of an affiliated entity.

The Materiality of Other Relationships is for the Board to Determine

If a director has a direct or indirect relationship with the issuer, then it will be material if, in the view of the issuer's board of directors, the relationship could reasonably interfere with the exercise of the director's independent judgement. These relationships may include commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationships or any other relationship that the board considers to be material.

Exceptions to the Independence Requirement

NI 52-110 provides exemptions from the independence requirements for:

- audit committee members who cease to be independent for reasons outside their control (but only for a limited period of time);
- directors appointed to the audit committee to fill a vacancy resulting from the death, disability or resignation of a member of the audit committee (but only for a limited period of time). The director appointed to fill the vacancy is also temporarily exempt from the financial literacy requirements;
- audit committee members, under exceptional and limited circumstances as determined by the board in its reasonably judgment, who are not consultants or advisors, not an affiliated entity of the issuer or any of its subsidiary entities, not an employee or officer of the issuer or an immediate family member of such and do not act as chair of the audit committee (but only for a maximum period of two years); and
- U.S. listed issuers complying with the audit committee requirements of their U.S. exchange or quotation system (provided they make the necessary disclosure in their AIF (Annual Information Form).

New York Stock Exchange Rules

Under the New York Stock Exchange rules, the following requirements must be met to qualify as an "Independent Director":

(a) no director qualifies as "independent" unless the board of directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company). Companies must disclose these determinations.

(b) in addition, the following persons are not independent:

- any director who is (or who has an immediate family member who is) an executive officer, other than on an interim basis, of the listed company;

- any director who receives (or who has an immediate family member who receives) more than $120,000 per year in direct compensation from the listed company;

- any director who is (or who has an immediate family member who is, in a professional capacity) a partner or employee of the listed company's internal or external auditor;

- any director who is (or who has an immediate family member who is) employed as an executive officer of another company where any of the executives of the listed company also serves or served on that other company's compensation committee; and

- any director who is an employee (or who has an immediate family member who is an executive officer) of another company that has made payments to, or received payments from, the listed company for property or services which exceeds the greater of $1 million or 2% of such other company's consolidated gross revenues.

Three Year "Cooling Off" Period. For each of the categories above where a director is not (or is presumed not to be) independent, there is a three-year "cooling off" period. Accordingly, the existence of the prohibited relationship at any time during the preceding three years is presumed to impair independence.

Sarbanes-Oxley Act

(a) *In General*. Each member of the audit committee of the issuer shall be a member of the board of directors of the issuer, and shall otherwise be independent.

(b) *Criteria*. In order to be considered to be independent for purposes of this paragraph, a member of an audit committee of an issuer may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee:

- accept any consulting, advisory or other compensatory fee from the issuer; or

- be an affiliated person of the issuer or any subsidiary thereof.

Exemption Authority. The Commission may exempt from the requirements of subparagraph (b) a particular relationship with respect to audit committee members, as the Commission determines appropriate in light of the circumstances.

SCHEDULE B
TO THE AUDIT COMMITTEE CHARTER OF THE CORPORATION

Audit Committee Financial Expert

An "audit committee financial expert" must possess all of the following attributes:

(a) an understanding of generally accepted accounting principles and financial statements;

(b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breath and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising one or more persons engaged in such activities;

(d) an understanding of internal control over and procedures for financial reporting; and

(e) an understanding of audit committee functions.

The audit committee financial expert must also have acquired those attributes through:

(a) education and experience as a principal financial officer, principal accounting officer, controller, public accountant, auditor or experience in one or more positions that involve the performance of similar functions;

(b) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant or auditor or person performing similar functions;

(c) experience overseeing or assessing the performance of companies or public accountants for the preparation, auditing or evaluation of financial statements; or

(d) other relevant experience.

"Active supervision" means the supervisor participated in, and contributed to, the process of addressing the same types of issues relating to the preparation, auditing, analysis and evaluation of financial statements as the person actually performing the work.

QuickLinks

Exhibit 99.1

AGNICO EAGLE MINES LIMITED ANNUAL INFORMATION FORM
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Note to Investors Concerning Certain Measures of Performance
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SCHEDULE "A" AUDIT COMMITTEE CHARTER OF THE COMPANY
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SCHEDULE B TO THE AUDIT COMMITTEE CHARTER OF THE CORPORATION

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 99.2

Annual Audited Consolidated Financial Statements

(Prepared in accordance with International Financial Reporting Standards)



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, 2016, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 (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, 2016 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, 2016 and 2015, and the related consolidated statements of income and comprehensive income, equity and cash flows for each of the two years in the period ended December 31, 2016, and our report dated March 27, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 27, 2017

MANAGEMENT CERTIFICATION

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

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. In making this assessment, the Company's management used the criteria outlined by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework issued in 2013. Based on its assessment, management concluded that, as of December 31, 2016, 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, 2016 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report that appears herein.

Toronto, Canada
March 27, 2017

By /s/ SEAN BOYD

Sean Boyd
Vice-Chairman 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, 2016 and 2015, and the related consolidated statements of income and comprehensive income, equity and cash flows for each of the years then ended. 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, 2016 and 2015 and the consolidated results of its operations and its cash flows for each of the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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, 2016, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated March 27, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 27, 2017

AGNICO EAGLE MINES LIMITED
CONSOLIDATED BALANCE SHEETS

(thousands of United States dollars, except share amounts)

	As at December 31, 2016	As at December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 539,974	$ 124,150
Short-term investments	8,424	7,444
Restricted cash	398	685
Trade receivables (notes 6 and 17)	8,185	7,714
Inventories (note 7)	443,714	461,976
Income taxes recoverable (note 23)	–	817
Available-for-sale securities (notes 6 and 8)	92,310	31,863
Fair value of derivative financial instruments (notes 6 and 20)	364	87
Other current assets (note 9(a))	136,810	194,689
Total current assets	1,230,179	829,425
Non-current assets:		
Restricted cash	764	741
Goodwill	696,809	696,809
Property, plant and mine development (note 10)	5,106,036	5,088,967
Other assets (note 9(b))	74,163	67,238
Total assets	$ 7,107,951	$ 6,683,180
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (note 11)	$ 228,566	$ 243,786
Reclamation provision (note 12)	9,193	6,245
Interest payable (note 14)	14,242	14,526
Income taxes payable (note 23)	35,070	14,852
Finance lease obligations (note 13(a))	5,535	9,589
Current portion of long-term debt (note 14)	129,896	14,451
Fair value of derivative financial instruments (notes 6 and 20)	1,120	8,073
Total current liabilities	423,622	311,522
Non-current liabilities:		
Long-term debt (note 14)	1,072,790	1,118,187
Reclamation provision (note 12)	265,308	276,299
Deferred income and mining tax liabilities (note 23)	819,562	802,114
Other liabilities (note 15)	34,195	34,038

Total liabilities	2,615,477	2,542,160
EQUITY		
Common shares (note 16): Outstanding — 225,465,654 common shares issued, less 500,514 shares held in trust	4,987,694	4,707,940
Stock options (notes 16 and 18)	179,852	216,232
Contributed surplus	37,254	37,254
Deficit	(744,453)	(823,734)
Accumulated other comprehensive income	32,127	3,328
Total equity	4,492,474	4,141,020
Total liabilities and equity	$ 7,107,951	$ 6,683,180
Commitments and contingencies (note 25)		

On behalf of the Board:

Sean Boyd, CPA, CA, Director

Dr. Leanne M. Baker, Director

See accompanying notes

AGNICO EAGLE MINES LIMITED

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

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

	Year Ended December 31,	
	2016	**2015**
REVENUES		
Revenues from mining operations (note 17)	$ 2,138,232	$ 1,985,432
COSTS, EXPENSES AND OTHER INCOME		
Production[(i)]	1,031,892	995,295
Exploration and corporate development	146,978	110,353
Amortization of property, plant and mine development (note 10)	613,160	608,609
General and administrative	102,781	96,973
Impairment loss on available-for-sale securities (note 8)	–	12,035
Finance costs (note 14)	74,641	75,228
(Gain) loss on derivative financial instruments (note 20)	(9,468)	19,608
Gain on sale of available-for-sale securities (note 8)	(3,500)	(24,600)
Environmental remediation (note 12)	4,058	2,003
Gain on impairment reversal (note 22)	(120,161)	–
Foreign currency translation loss (gain)	13,157	(4,728)
Other expenses	16,233	12,028
Income before income and mining taxes	268,461	82,628
Income and mining taxes expense (note 23)	109,637	58,045
Net income for the year	$ 158,824	$ 24,583
Net income per share — basic (note 16)	$ 0.71	$ 0.11
Net income per share — diluted (note 16)	$ 0.70	$ 0.11
Cash dividends declared per common share	$ 0.36	$ 0.32
COMPREHENSIVE INCOME		
Net income for the year	$ 158,824	$ 24,583
Other comprehensive income (loss):		
Items that may be subsequently reclassified to net income:		
Available-for-sale securities and other investments:		
Unrealized change in fair value of available-for-sale securities	36,757	4,822
Reclassification to impairment loss on available-for-sale securities (note 8)	–	12,035
Reclassification to gain on sale of available-for-sale securities (note 8)	(3,500)	(24,600)

Income tax impact of reclassification items (note 23)	467	1,684
Income tax impact of other comprehensive income (loss) items (note 23)	(4,925)	(613)
	28,799	(6,672)
Items that will not be subsequently reclassified to net income:		
Pension benefit obligations:		
Remeasurement gain (loss) of pension benefit obligations (note 15(a))	612	(205)
Income tax impact (note 23)	76	32
	688	(173)
Other comprehensive income (loss) for the year	29,487	(6,845)
Comprehensive income for the year	$ 188,311	$ 17,738

Note:

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

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF EQUITY

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

	Common Shares Outstanding						
	Shares	Amount	Stock Options	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Equity
Balance December 31, 2014	214,236,234	$4,599,788	$ 200,830	$ 37,254	$ (779,382)	$ 10,000	$ 4,068,490
Net income	–	–	–	–	24,583	–	24,583
Other comprehensive loss	–	–	–	–	(173)	(6,672)	(6,845)
Total comprehensive income (loss)	–	–	–	–	24,410	(6,672)	17,738
Transactions with owners:							
Shares issued under employee stock option plan (notes 16 and 18(a))	747,683	22,326	(4,654)	–	–	–	17,672
Stock options (notes 16 and 18(a))	–	–	20,056	–	–	–	20,056
Shares issued under incentive share purchase plan (note 18(b))	512,438	14,033	–	–	–	–	14,033
Shares issued under dividend reinvestment plan	345,734	9,305	–	–	–	–	9,305
Shares issued for joint acquisition of Malartic CHL property (note 5)	459,197	13,441	–	–	–	–	13,441
Shares issued for acquisition of Soltoro Ltd. (note 5)	770,429	24,351	–	–	–	–	24,351
Shares issued to settle CMGP Convertible Debentures previously issued by Osisko	871,680	24,779	–	–	–	–	24,779
Dividends declared ($0.32 per share)	–	–	–	–	(68,762)	–	(68,762)
Restricted Share Unit plan and Long Term Incentive Plan (notes 16 and 18(c))	(292,600)	(83)	–	–	–	–	(83)
Balance December 31, 2015	217,650,795	$4,707,940	$ 216,232	$ 37,254	$ (823,734)	$ 3,328	$ 4,141,020
Net income	–	–	–	–	158,824	–	158,824
Other comprehensive income	–	–	–	–	688	28,799	29,487
Total comprehensive income	–	–	–	–	159,512	28,799	188,311
Transactions with owners:							
Shares issued under employee stock option plan (notes 16 and 18(a))	6,492,907	245,128	(53,025)	–	–	–	192,103
Stock options (notes 16 and 18(a))	–	–	16,645	–	–	–	16,645
Shares issued under incentive share purchase plan (note 18(b))	344,778	15,443	–	–	–	–	15,443

Shares issued under dividend reinvestment plan	224,732	8,893	–	–	–	–	8,893
Shares issued under flow-through share private placement (note 16)	374,869	13,593	–	–	–	–	13,593
Dividends declared ($0.36 per share)	–	–	–	–	(80,231)	–	(80,231)
Restricted Share Unit plan, Performance Share Unit plan, and Long Term Incentive Plan (notes 16 and 18(c,d))	(122,941)	(3,303)	–	–	–	–	(3,303)
Balance December 31, 2016	224,965,140	$4,987,694	$ 179,852	$ 37,254	$ (744,453)	$ 32,127	$ 4,492,474

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(thousands of United States dollars)

	Year Ended December 31,	
	2016	**2015**
OPERATING ACTIVITIES		
Net income for the year	$ 158,824	$ 24,583
Add (deduct) items not affecting cash:		
Amortization of property, plant and mine development (note 10)	613,160	608,609
Deferred income and mining taxes (note 23)	7,609	6,550
Gain on sale of available-for-sale securities (note 8)	(3,500)	(24,600)
Stock-based compensation (note 18)	33,804	35,822
Impairment loss on available-for-sale securities (note 8)	–	12,035
Gain on impairment reversal (note 22)	(120,161)	–
Foreign currency translation loss (gain)	13,157	(4,728)
Other	14,012	3,145
Adjustment for settlement of reclamation provision	(2,719)	(1,385)
Changes in non-cash working capital balances:		
Trade receivables	(471)	52,019
Income taxes	28,082	(2,333)
Inventories	20,355	(40,547)
Other current assets	53,009	(74,106)
Accounts payable and accrued liabilities	(35,408)	20,464
Interest payable	(1,136)	710
Cash provided by operating activities	778,617	616,238
INVESTING ACTIVITIES		
Additions to property, plant and mine development (note 10)	(516,050)	(449,758)
Acquisitions, net of cash and cash equivalents acquired (note 5)	(12,434)	(12,983)
Net purchases of short-term investments	(980)	(2,823)
Net proceeds from sale of available-for-sale securities and other investments (note 8)	9,461	61,075
Purchases of available-for-sale securities and other investments (note 8)	(33,774)	(19,815)
Decrease in restricted cash	287	49,785
Cash used in investing activities	(553,490)	(374,519)
FINANCING ACTIVITIES		
Dividends paid	(71,375)	(59,512)

Repayment of finance lease obligations (note 13(a))	(10,004)	(23,657)
Proceeds from long-term debt	125,000	436,000
Repayment of long-term debt	(405,374)	(697,086)
Notes issuance (note 14)	350,000	50,000
Long-term debt financing (note 14)	(3,415)	(1,689)
Repurchase of common shares for stock-based compensation plans (notes 16 and 18(c,d))	(15,576)	(11,899)
Proceeds on exercise of stock options (note 18(a))	192,103	17,672
Common shares issued (note 16)	29,027	9,411
Cash provided by (used in) financing activities	190,386	(280,760)
Effect of exchange rate changes on cash and cash equivalents	311	(14,346)
Net increase (decrease) in cash and cash equivalents during the year	415,824	(53,387)
Cash and cash equivalents, beginning of year	124,150	177,537
Cash and cash equivalents, end of year	$ 539,974	$ 124,150

SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid (note 14)	$ 71,401	$ 69,414
Income and mining taxes paid	$ 105,184	$ 81,112

See accompanying notes

AGNICO EAGLE MINES LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)
December 31, 2016

1. CORPORATE INFORMATION

Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") is principally engaged in the production and sale of gold, as well as related activities such as exploration and mine development. The Company's mining operations are located in Canada, Mexico and Finland and the Company has exploration activities in Canada, Europe, Latin America and the United States. Agnico Eagle is a public company incorporated under the laws of the Province of Ontario, Canada with its head and registered office located at 145 King Street East, Suite 400, Toronto, Ontario, M5C 2Y7. The Company is listed on the Toronto Stock Exchange and the New York Stock Exchange. Agnico Eagle sells its gold production into the world market.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company (the "Board") on March 27, 2017.

2. BASIS OF PRESENTATION

A) Statement of Compliance

The accompanying consolidated financial statements of Agnico Eagle have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in United States ("US") dollars.

These consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are measured at fair value. Significant accounting policies are presented in note 3 to these consolidated financial statements and have been consistently applied in each of the periods presented.

B) Basis of Presentation

Subsidiaries

These consolidated financial statements include the accounts of Agnico Eagle and its consolidated subsidiaries. All intercompany balances, transactions, income and expenses and gains or losses have been eliminated on consolidation. Subsidiaries are consolidated where Agnico Eagle has the ability to exercise control. Control of an investee exists when Agnico Eagle is exposed to variable returns from the Company's involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Joint Arrangements

A joint arrangement is defined as an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement between two or more parties. This exists only when the decisions about the relevant activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the assets and obligations for the liabilities relating to the arrangement. These consolidated financial statements include the Company's interests in the assets, liabilities, revenues and expenses of the joint operations, from the date that joint control commenced. Agnico Eagle's 50% interest in Canadian Malartic Corporation and Canadian Malartic GP ("the Partnership"), the general partnership that holds the Canadian Malartic mine located in Quebec, has been accounted for as a joint operation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Business Combinations

In a business combination, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition. Preliminary fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustments to those preliminary fair values effective as at the acquisition date. Acquisition related costs are expensed as incurred.

Purchase consideration may also include amounts payable if future events occur or conditions are met. Any such contingent consideration is measured at fair value and included in the purchase consideration at the acquisition date. Subsequent changes to the estimated fair value of contingent consideration are recorded through the consolidated statements of income, unless the preliminary fair value of contingent consideration as at the acquisition date is finalized before the twelve month measurement period in which case the adjustment is allocated to the identifiable assets acquired and liabilities assumed retrospectively to the acquisition date.

Where the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill. A gain is recorded through the consolidated statements of income if the cost of the acquisition is less than the fair values of the identifiable net assets acquired.

Non-controlling interests represent the fair value of net assets in subsidiaries that are not held by the Company as at the date of acquisition. Non-controlling interests are presented in the equity section of the consolidated balance sheets.

In a business combination achieved in stages, the Company remeasures any previously held equity interest at its acquisition date fair value and recognizes any gain or loss in the consolidated statements of income.

B) Non-current Assets and Disposal Groups Held For Sale and Discontinued Operations

The Company classifies a non-current asset or disposal group as held for sale if it is highly probable that they will be sold in their current condition within one year from the date of classification. Assets and disposal groups that meet the criteria to be classified as an asset held for sale are measured at the lower of carrying amount and fair value less costs to dispose and the Company stops amortizing such assets from the date they are classified as held for sale. Assets and disposal groups that meet the criteria to be classified as held for sale are presented separately in the consolidated balance sheets.

If the carrying amount of the asset prior to being classified as held for sale is greater than the fair value less costs to dispose, the Company recognizes an impairment loss. Any subsequent change in the measurement amount of items classified as held for sale is recognized as a gain, to the extent of any cumulative impairment charges previously recognized to the related asset or disposal group, or as a further impairment loss.

A discontinued operation is a component of the Company that can be clearly distinguished from the rest of the entity, both operationally and for financial reporting purposes, that has been disposed of or is classified as held for sale and represents: a) a separate significant line of business or geographical area of operations; b) a part of a single co-ordinated plan to dispose of an area of operations; or c) a subsidiary acquired exclusively for resale. The results of the disposal groups or regions which are discontinued operations are presented separately in the consolidated statements of comprehensive income.

C) *Foreign Currency Translation*

The functional currency of the Company, for each subsidiary and for joint arrangements, is the currency of the primary economic environment in which it operates. The functional currency of all of the Company's operations is the US dollar.

Once the Company determines the functional currency of an entity, it is not changed unless there is a change in the relevant underlying transactions, events and circumstances. Any change in an entity's functional currency is accounted for prospectively from the date of the change, and the consolidated balance sheets are translated using the exchange rate at that date.

At the end of each reporting period, the Company translates foreign currency balances as follows:

- Monetary items are translated at the closing rate in effect at the consolidated balance sheet date;
- Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Items measured at fair value are translated at the exchange rate in effect at the date the fair value was measured; and
- Revenue and expense items are translated using the average exchange rate during the period.

D) *Cash and Cash Equivalents*

The Company's cash and cash equivalents include cash on hand and short-term investments in money market instruments with remaining maturities of three months or less at the date of purchase. The Company places its cash and cash equivalents and short-term investments in high quality securities issued by government agencies, financial institutions and major corporations and limits the amount of credit exposure by diversifying its holdings.

E) *Short-term Investments*

The Company's short-term investments include financial instruments with remaining maturities of greater than three months but less than one year at the date of purchase. Short-term investments are designated as held to maturity for accounting purposes and are carried at amortized cost, which approximates market value given the short-term nature of these investments.

F) *Inventories*

Inventories consist of ore stockpiles, concentrates, dore bars and supplies. Inventories are carried at the lower of cost and net realizable value ("NRV"). Cost is determined using the weighted average basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories includes direct costs of materials and labour related directly to mining and processing activities, including production phase stripping costs, amortization of property, plant and mine development directly involved in the related mining and production process, amortization of any stripping costs previously capitalized and directly attributable overhead costs. When interruptions to production occur, an adjustment is made to the costs included in inventories, such that they reflect normal capacity. Abnormal costs are expensed in the period they are incurred.

The current portion of ore stockpiles, ore in leach pads and inventories is determined based on the expected amounts to be processed within the next twelve months. Ore stockpiles, ore on leach pads and inventories not expected to be processed or used within the next twelve months are classified as long-term.

NRV is estimated by calculating the net selling price less costs to be incurred in converting the relevant inventories to saleable product and delivering it to a customer. Costs to complete are based on management's best estimate as

at the consolidated balance sheet date. An NRV impairment may be reversed in a subsequent period if the circumstances that triggered the impairment no longer exist.

G) *Financial Instruments*

The Company's financial assets and liabilities (financial instruments) include cash and cash equivalents, short-term investments, restricted cash, trade receivables, available-for-sale securities, accounts payable and accrued liabilities, long-term debt (including convertible debentures) and derivative financial instruments. All financial instruments are recorded at fair value at recognition. Subsequent to initial recognition, financial instruments classified as trade receivables, accounts payable and accrued liabilities and long-term debt (excluding convertible debentures) are measured at amortized cost using the effective interest method. Other financial assets and liabilities are recorded at fair value through the consolidated statements of income.

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 recorded using trade date accounting. Investments are designated as available-for-sale based on the criteria that the Company does not hold these for trading purposes. The cost basis of available-for-sale securities is determined using the average cost method and they are carried at fair value. Unrealized gains and losses recorded to measure available-for-sale securities at fair value are recognized in other comprehensive income.

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 significant or prolonged, an impairment charge is recorded in the consolidated statements of income and comprehensive income. The Company assesses whether a decline in value is considered to be significant or prolonged 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 and the financial condition of the investee.

Derivative Instruments and Hedge Accounting

The Company uses derivative financial instruments (primarily option and forward contracts) to manage exposure to fluctuations in by-product metal prices, interest rates and foreign currency exchange rates and may use such means to manage exposure to certain input costs. The Company 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 and comprehensive income or in equity as a component of accumulated other comprehensive income, 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 at each reporting period. Realized gains and losses on those contracts that are proven to be effective are reported as a component of the related transaction.

H) *Goodwill*

Goodwill is recognized in a business combination if the cost of the acquisition exceeds the fair values of the identifiable net assets acquired. Goodwill is then allocated to the cash generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination. A CGU is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, the Company assesses for indicators of impairment at each reporting period end and, if an indicator of impairment is identified, goodwill is tested for impairment at that time. If the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount, an impairment loss is recognized. Goodwill impairment losses are not reversed.

The recoverable amount of a CGU or group of CGUs is measured as the higher of value in use and fair value less costs of disposal.

l) Mining Properties, Plant and Equipment and Mine Development Costs

Mining properties, plant and equipment and mine development costs are recorded at cost, less accumulated amortization and accumulated impairment losses.

Mining Properties

The cost of mining properties includes the fair value attributable to proven and probable mineral reserves and mineral resources acquired in a business combination or asset acquisition, underground mine development costs, deferred stripping, capitalized exploration and evaluation costs and capitalized borrowing costs.

Significant payments related to the acquisition of land and mineral rights are capitalized as mining properties at cost. If a mineable ore body is discovered, such costs are amortized to income when commercial production commences, using the units-of-production method, based on estimated proven and probable mineral reserves. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined that the property has no future economic value. Cost components of a specific project that are included in the capital cost of the asset include salaries and wages directly attributable to the project, supplies and materials used in the project, and incremental overhead costs that can be directly attributable to the project.

Assets under construction are not amortized until the end of the construction period or once commercial production is achieved. Upon achieving the production stage, the capitalized construction costs are transferred to the appropriate category of plant and equipment.

Plant and Equipment

Expenditures for new facilities and improvements that can extend the useful lives of existing facilities are capitalized as plant and equipment at cost. The cost of an item of plant and equipment includes: its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and the estimate of the costs of dismantling and removing the item and restoring the site on which it is located other than costs that arise as a consequence of having used the item to produce inventories during the period.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income and comprehensive income when the asset is derecognized.

Amortization of an asset begins when the asset is in the location and condition necessary for it to operate in the manner intended by management. Amortization ceases at the earlier of the date the asset is classified as held for sale or the date the asset is derecognized. Assets under construction are not amortized until the end of the construction period. Amortization is charged according to either the units-of-production method or on a

straight-line basis, according to the pattern in which the asset's future economic benefits are expected to be consumed. The amortization method applied to an asset is reviewed at least annually.

Useful lives of property, plant and equipment are based on estimated mine lives as determined by proven and probable mineral reserves. Remaining mine lives at December 31, 2016 range from 1 to 18 years.

Mine Development Costs

Mine development costs incurred after the commencement of commercial production are capitalized when they are expected to have a future economic benefit. Activities that are typically capitalized include costs incurred to build shafts, drifts, ramps and access corridors which enables the Company to extract ore underground.

The Company records amortization on underground mine development costs on a units-of-production basis based on the estimated tonnage of proven and probable mineral reserves of the identified component of the ore body. The units-of-production method defines the denominator as the total tonnage of proven and probable mineral reserves.

Deferred Stripping

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping.

During the development stage of the mine, stripping costs are capitalized as part of the cost of building, developing and constructing the mine and are amortized once the mine has entered the production stage.

During the production stage of a mine, stripping costs are recorded as a part of the cost of inventories unless these costs are expected to provide a future economic benefit and, in such cases, are capitalized to property, plant and mine development.

Production stage stripping costs provide a future economic benefit when:

- It is probable that the future economic benefit (e.g., improved access to the ore body) associated with the stripping activity will flow to the Company;
- The Company can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

Capitalized production stage stripping costs are amortized over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Borrowing Costs

Borrowing costs are capitalized to qualifying assets. Qualifying assets are assets that take a substantial period of time to prepare for the Company's intended use, which includes projects that are in the exploration and evaluation, development or construction stages.

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance costs in the period in which they are incurred. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the relevant borrowings during the period.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, including whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Leasing arrangements that transfer substantially all the risks and rewards of ownership of the asset to the Company are classified as finance leases. Finance leases are recorded as an asset with a corresponding liability at an amount equal to the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance costs using the effective interest rate method, whereby a constant rate of interest expense is recognized on the balance of the liability outstanding. The interest element of the lease is charged to the consolidated statement of income as a finance cost. An asset leased under a finance lease is amortized over the shorter of the lease term and its useful life.

All other leases are recognized as operating leases. Operating lease payments are recognized as an operating expense in the consolidated statements of income on a straight-line basis over the lease term.

J) Development Stage Expenditures

Development stage expenditures are costs incurred to obtain access to proven and probable mineral reserves and provide facilities for extracting, treating, gathering, transporting and storing the minerals. The development stage of a mine commences when the technical feasibility and commercial viability of extracting the mineral resource has been determined. Costs that are directly attributable to mine development are capitalized as property, plant and mine development to the extent that they are necessary to bring the property to commercial production.

Abnormal costs are expensed as incurred. Indirect costs are included only if they can be directly attributed to the area of interest. General and administrative costs are capitalized as part of the development expenditures when the costs are directly attributed to a specific mining development project.

Commercial Production

A mine construction project is considered to have entered the production stage when the mine construction assets are available for use. In determining whether mine construction assets are considered available for use, the criteria considered include, but are not limited to, the following:

- Completion of a reasonable period of testing mine plant and equipment;
- Ability to produce minerals in saleable form (within specifications); and
- Ability to sustain ongoing production of minerals.

When a mine construction project moves into the production stage, amortization commences, the capitalization of certain mine construction costs ceases and expenditures are either capitalized to inventories or expensed as incurred. Exceptions include costs incurred for additions or improvements to property, plant and mine development and open-pit stripping activities.

K) Impairment of Long-lived Assets

At the end of each reporting period the Company assesses whether there is any indication that long-lived assets may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. If it is not possible to estimate the recoverable amount of the individual asset, assets are grouped at the CGU level for the purpose of assessing the recoverable amount. An impairment loss is recognized for any excess of the carrying amount of the CGU over its recoverable amount. The impairment loss

related to a CGU is first allocated to goodwill and the remaining loss is allocated on a pro-rata basis to the remaining long-lived assets of the CGU based on their carrying amounts.

Any impairment charge that is taken on a long-lived asset except goodwill is reversed if there are subsequent changes in the estimates or significant assumptions that were used to recognize the impairment loss that result in an increase in the recoverable amount of the CGU. If an indicator of impairment reversal has been identified, a recovery should be recognized to the extent the recoverable amount of the asset exceeds its carrying amount. The amount of the reversal is limited to the difference between the current carrying amount and the amount which would have been the carrying amount had the earlier impairment not been recognized and amortization of that carrying amount had continued. Impairments and subsequent reversals are recorded in the consolidated statement of income in the period in which they occur.

L) Debt

Debt is initially recorded at fair value, net of financing costs incurred. Debt is subsequently measured at amortized cost. Any difference between the amounts received and the redemption value of the debt is recognized in the consolidated statements of income over the period to maturity using the effective interest rate method. Convertible debentures are accounted for as a financial liability measured at fair value in the consolidated statements of income.

M) Reclamation Provisions

Asset retirement obligations ("AROs") arise from the acquisition, development and construction of mining properties and plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to tailings and heap leach pad closure and rehabilitation, demolition of buildings and mine facilities, ongoing water treatment and ongoing care and maintenance of closed mines. The Company recognizes an ARO at the time the environmental disturbance occurs or a constructive obligation is determined to exist based on the Company's best estimate of the timing and amount of expected cash flows expected to be incurred. When the ARO provision is recognized, the corresponding cost is capitalized to the related item of property, plant and mine development. Reclamation provisions that result from disturbance in the land to extract ore in the current period is included in the cost of inventories.

The timing of the actual environmental remediation expenditures is dependent on a number of factors such as the life and nature of the asset, the operating licence conditions and the environment in which the mine operates. Reclamation provisions are measured at the expected value of future cash flows discounted to their present value using a risk-free interest rate. AROs are adjusted each period to reflect the passage of time (accretion). Accretion expense is recorded in finance costs each period. Upon settlement of an ARO, the Company records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains or losses are recorded in the consolidated statements of income.

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.

Each reporting period, provisions for AROs are remeasured to reflect any changes to significant assumptions, including the amount and timing of expected cash flows and risk-free interest rates. Changes to the reclamation

provision resulting from changes in estimate are added to or deducted from the cost of the related asset, except where the reduction of the reclamation provision exceeds the carrying value of the related assets in which case the asset is reduced to nil and the remaining adjustment is recognized in the consolidated statements of income.

Environmental remediation liabilities ("ERLs") are differentiated from AROs in that ERLs do not arise from environmental contamination in the normal operation of a long-lived asset or from a legal or constructive obligation to treat environmental contamination resulting from the acquisition, construction or development of a long-lived asset. The Company is required to recognize a liability for obligations associated with ERLs arising from past acts. ERLs are measured by discounting the expected related cash flows using a risk-free interest rate. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. Each reporting period, the Company assesses cost estimates and other assumptions used in the valuation of ERLs to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the value of the ERL. Any change in the value of ERLs results in a corresponding charge or credit to the consolidated statements of income. Upon settlement of an ERL, the Company records a gain or loss if the actual cost differs from the carrying amount of the ERL in the consolidated statements of income.

N) Post-employment Benefits

In Canada, the Company maintains a defined contribution plan covering all of its employees (the "Basic Plan"). The Basic Plan is funded by Company contributions based on a percentage of income for services rendered by employees. In addition, the Company has a supplemental plan for designated executives at the level of Vice-President or above (the "Supplemental Plan"). Under the Supplemental Plan, an additional 10.0% of the designated executives' income is contributed by the Company.

The Company also provides a non-registered supplementary executive retirement defined benefit plan for certain current and former senior officers (the "Executives Plan"). The Executives Plan benefits are generally based on the employee's years of service and level of compensation. Pension expense related to the Executives Plan is the net of the cost of benefits provided (including the cost of any benefits provided for past service), the net interest cost on the net defined liability/asset, and the effects of settlements and curtailments related to special events. Pension fund assets are measured at their current fair values. The costs of pension plan improvements are recognized immediately in expense when they occur. Remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income (loss) and are subsequently transferred to retained earnings.

Defined Contribution Plan

The Company recognizes the contributions payable to a defined contribution plan in exchange for services rendered by employees as an expense, unless another policy requires or permits the inclusion of the contribution in the cost of an asset. After deducting contributions already paid, a liability is recorded throughout each period to reflect unpaid but earned contributions. If the contribution paid exceeds the contribution due for the service before the end of the reporting period, the Company recognizes that excess as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Defined Benefit Plan

Plan assets are measured at their fair value at the consolidated balance sheet date and are deducted from the present value of plan liabilities to arrive at a net defined benefit liability/asset. The defined benefit obligation reflects the expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Current service cost represents the actuarially calculated present value of the benefits earned by the active employees in each period and reflects the economic cost for each period based on current market conditions. The

current service cost is based on the most recent actuarial valuation. The net interest on the net defined benefit liability/asset is the change during the period in the defined benefit liability/asset that arises from the passage of time.

Past service cost represents the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service costs from plan amendments that increase or decrease vested or unvested benefits are recognized immediately in net income at the earlier of when the related plan amendment occurs or when the entity recognizes related restructuring costs or termination benefits.

Gains or losses on plan settlements are measured as the difference in the present value of the defined benefit obligation and settlement price. This results in a gain or loss being recognized when the benefit obligation settles. Actuarial gains and losses are recorded on the consolidated balance sheets as part of the benefit plan's funded status. Gains and losses are recognized immediately in other comprehensive income and are subsequently transferred to retained earnings and are not subsequently recognized in net income.

O) Contingent Liabilities and Other Provisions

Provisions are recognized when a present obligation exists (legal or constructive), as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the consolidated balance sheet date, measured using the expected cash flows discounted for the time value of money. The increase in provision (accretion) due to the passage of time is recognized as a finance cost in the consolidated statements of income.

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control, or present obligations that are not recognized because it is not probable that an outflow of economic benefits would be required to settle the obligation or the amount cannot be measured reliably. Contingent liabilities are not recognized but are disclosed and described in the notes to the consolidated financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company, with assistance from its legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

P) Stock-based Compensation

The Company offers equity-settled awards (the employee stock option plan, incentive share purchase plan, restricted share unit plan and performance share unit plan) to certain employees, officers and directors of the Company.

Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the granting of options to directors, officers, employees and service providers to purchase common shares. Options have exercise prices equal to the market price on the day prior to the date of grant. The fair value of these options is recognized in the consolidated statements of income and comprehensive income or in the consolidated balance sheets if capitalized as part of property, plant and mine development over the applicable vesting period as a compensation cost. Any consideration paid by employees on exercise of options or purchase of common shares is credited to share capital.

Fair value is determined using the Black-Scholes option valuation model, which requires the Company to estimate the expected volatility of the Company's share price and the expected life of the stock options. Limitations with existing option valuation models and the inherent difficulties associated with estimating these variables create difficulties in determining a reliable single measure of the fair value of stock option grants. The cost is recorded over the vesting period of the award to the same expense category of the award recipient's payroll costs and the corresponding entry is recorded in equity. Equity-settled awards are not remeasured subsequent to the initial grant date. The dilutive impact of stock option grants is factored into the Company's reported diluted net income per share. The stock option expense incorporates an expected forfeiture rate, estimated based on expected employee turnover.

Incentive Share Purchase Plan ("ISPP")

Under the ISPP, directors (excluding non-executive directors), officers and employees (the "Participants") of the Company may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each Participant's contribution. All common shares subscribed for under the ISPP are issued by the Company.

The Company records an expense equal to its cash contribution to the ISPP. No forfeiture rate is applied to the amounts accrued. Where an employee leaves prior to the vesting date, any accrual for contributions by the Company during the vesting period related to that employee is reversed.

Restricted Share Unit ("RSU") Plan

The RSU plan is open to directors and certain employees, including senior executives, of the Company. Common shares are purchased and held in a trust until they have vested. The cost is recorded over the vesting period of the award to the same expense category as the award recipient's payroll costs. The cost of the RSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Performance Share Unit ("PSU") Plan

The PSU plan is open to senior executives of the Company. Common shares are purchased and held in a trust until they have vested. PSUs are subject to vesting requirements based on specific performance measurements by the Company. The fair value for the portion of the PSUs related to market conditions is based on the application of pricing models at the grant date and the fair value for the portion related to non-market conditions is based on the market value of the shares at the grant date. Compensation expense is based on the current best estimate of the outcome for the specific performance measurement established by the Company and is recognized over the vesting period based on the number of units estimated to vest. The cost of the PSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Q) Revenue Recognition

Revenue from mining operations consists of gold revenues, net of smelting, refining, transportation and other marketing charges. Revenues from by-product metal sales are shown net of smelter charges as part of revenues from mining operations.

Revenue from the sale of gold and silver is recognized when the following conditions have been met:

- The Company has transferred to the buyer the significant risks and rewards of ownership;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;

- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 of the gold and silver in the form of dore bars recovered in the Company's milling process is sold in the period in which it is produced.

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 the risks and rewards of ownership of the 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.

R) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition.

Exploration and evaluation expenditures are expensed as incurred unless it can be demonstrated that the project will generate future economic benefit. When it is determined that a project can generate future economic benefit the costs are capitalized in the property, plant and mine development line item of the consolidated balance sheets.

The exploration and evaluation phase ends when the technical feasibility and commercial viability of extracting the mineral is demonstrable.

S) Net Income Per Share

Basic net income per share is calculated by dividing net income for a given period by the weighted average number of common shares outstanding during that same period. Diluted net income per share reflects the potential dilution that could occur if holders with rights to convert instruments to common shares exercise these rights. Convertible debt is dilutive whenever its impact on net income, including mark-to-market gains (losses), interest and tax expense, per ordinary share obtainable on conversion is less than basic net income per share. The weighted average number of common shares used to determine diluted net income per share includes an adjustment, using the treasury stock method, for stock options outstanding. Under the treasury stock method:

- The exercise of options is assumed to occur at the beginning of the period (or date of issuance, if later);
- The proceeds from the exercise of options plus the future period compensation expense on options granted are assumed to be used to purchase common shares at the average market price during the period; and
- The incremental number of common shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) is included in the denominator of the diluted net income per share calculation.

T) ***Income Taxes***

Current and deferred tax expenses are recognized in the consolidated statements of income except to the extent that they relate to a business combination, or to items recognized directly in equity or in other comprehensive income (loss).

Current tax expense is based on substantively enacted statutory tax rates and laws at the consolidated balance sheet date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax basis of such assets and liabilities measured using tax rates and laws that are substantively enacted at the consolidated balance sheet date and effective for the reporting period when the temporary differences are expected to reverse.

Deferred taxes are not recognized in the following circumstances:

- Where a deferred tax liability arises from the initial recognition of goodwill;
- Where a deferred tax asset or liability arises on the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither net income or taxable profits; and
- For temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses and tax credits carried forward and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized except as noted above.

At each reporting period, previously unrecognized deferred tax assets are reassessed to determine whether it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Recently Issued Accounting Pronouncements

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but the provision of comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Company plans to adopt the new standard on the required effective date.

During 2016, the Company performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analysis or additional reasonable and supportable information being made available to the Company in the future. Overall, there is no significant impact expected on the balance sheet or statement of equity from the adoption of IFRS 9.

Classification and measurement

The only change in IFRS 9 in respect of the classification of financial liabilities is that for those designated at fair value through profit or loss ("FVTPL"), fair value changes attributable to the Company's own credit risk are presented in OCI. IFRS 9

introduces a new model for classifying financial assets. The standard introduces principle-based requirements for the classification of financial assets, using the following measurement categories:

- Debt instruments at amortized cost;
- Debt instruments at fair value through OCI ("FVOCI") with cumulative gains and losses reclassified to profit or loss upon derecognition;
- Debt instruments, derivatives and equity instruments at FVTPL; and
- Equity instruments designated at FVOCI with no recycling of gains and losses upon derecognition.

The Company is still evaluating its different financial assets to ensure appropriate classification under IFRS 9.

Impairment

The new impairment requirements are based on a forward-looking expected credit loss model. The model applies to debt instruments measured at amortized cost or at FVOCI, as well as lease receivables, trade receivables, contracts assets (as defined in IFRS 15), and loan commitments and financial guarantee contracts that are not at fair value through profit or loss. The Company does not hold significant amounts of these types of financial assets and therefore does not expect these changes to have a significant impact.

Hedge accounting

The changes in IFRS 9 relating to hedge accounting will have no impact as the Company does not currently apply hedge accounting.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

The Company plans to adopt the new standard (including the clarifications issued by the IASB in April 2016) on the required effective date. During 2016, the Company commenced its preliminary assessment of IFRS 15 and some of the key issues it has identified, and its initial views and perspectives, are set out below. These are based on the work completed to date and the Company's current interpretation of IFRS 15 and may be subject to changes as more detailed analysis is completed and as interpretations evolve more generally. Furthermore, the Company is considering and will continue to monitor any further development. To date, the issues set out immediately below were identified by the Company as requiring further consideration.

Provisionally priced sales

Some of the Company's sales of metal in concentrate contain provisional pricing features. Under IAS 18, revenue is recognized under these contracts based on forward prices at the time of delivery, which is when the risks and rewards of ownership of the concentrate pass to the 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company is currently evaluating the accounting treatment of these contracts under IFRS 15. The impact is expected to be immaterial. In 2016, revenue from concentrate sales contracts was approximately 0.7% of total revenue.

Other presentation and disclosure requirements

IFRS 15 contains presentation and disclosure requirements which are more detailed than the current standards. The presentation requirements represent a significant change from current practice and will increase the volume of disclosures required in the financial statements. Many of the disclosure requirements in IFRS 15 are completely new. In 2016, the Company started to consider the systems, internal controls, policies and procedures necessary to collect and disclose the required information.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 – *Leases* which brings most leases on-balance sheet for lessees by eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17 – *Leases* and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 has also been applied. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain practical expedients. In 2017, the Company plans to assess the potential effect of IFRS 16 on its consolidated financial statements.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable; however, actual results may differ materially from these estimates. The key areas where significant judgments, estimates and assumptions have been made are summarized below.

Proven and Probable Mineral Reserves

Proven and probable mineral reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The estimates are based on information compiled by "qualified persons" as defined under the Canadian Securities Administrators' National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Such an analysis relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates requires complex geological judgments to interpret the data. The estimation of recoverable proven and probable mineral reserves is based upon factors such as estimates of commodity prices, future capital requirements and production costs, geological and metallurgical assumptions and judgments made in estimating the size and grade of the ore body and foreign exchange rates.

As the economic assumptions used may change and as additional geological information is acquired during the operation of a mine, estimates of proven and probable mineral reserves may change. Such changes may impact the Company's consolidated balance sheets and consolidated statements of income and comprehensive income, including:

- The carrying value of the Company's property, plant and mine development and goodwill may be affected due to changes in estimated future cash flows;
- Amortization charges in the consolidated statements of income and comprehensive income may change where such charges are determined using the units-of-production method or where the useful life of the related assets change;
- Capitalized stripping costs recognized in the consolidated balance sheets as either part of mining properties or as part of inventories or charged to income may change due to changes in the ratio of ore to waste extracted; and
- Reclamation provisions may change where changes to the proven and probable mineral reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment to determine whether future economic benefits are likely to arise and whether activities have reached a stage where the technical feasibility and commercial viability of extracting the mineral is demonstrable.

Production Stage of a Mine

As each mine is unique, significant judgment is required to determine the date that a mine enters the production stage. The Company considers the factors outlined in note 3 to these consolidated financial statements to make this determination.

Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Reclamation Provisions

Environmental remediation costs will be incurred by the Company at the end of the operating life of the Company's mining properties. Management assesses its reclamation provision each reporting period or when new information becomes available. The ultimate environmental remediation costs are uncertain and cost estimates can vary in response to many factors, including estimates of the extent and costs of reclamation activities, technological changes, regulatory changes, cost increases as compared to the inflation rate and changes in discount rates. These uncertainties may result in future actual expenditures differing from the amount of the current provision. As a result, there could be significant adjustments to the provisions established that would affect future financial results. The reclamation provision as at the reporting date represents management's best estimate of the present value of the future environmental remediation costs required.

Income and Mining Taxes

Management is required to make estimates regarding the tax basis of assets and liabilities and related deferred income and mining tax assets and liabilities, amounts recorded for uncertain tax positions, the measurement of income and mining tax expense, and estimates of the timing of repatriation of income. Several of these estimates require management to make

assessments of future taxable profit and, if actual results are significantly different than the Company's estimates, the ability to realize the deferred income and mining tax assets recorded on the consolidated balance sheets could be affected.

Amortization

Property, plant and mine development comprise a large portion of the Company's total assets and as such the amortization of these assets has a significant effect on the Company's consolidated financial statements. Amortization is charged according to the pattern in which an asset's future economic benefits are expected to be consumed. The determination of this pattern of future economic benefits requires management to make estimates and assumptions about useful lives and residual values at the end of the asset's useful life. Actual useful lives and residual values may differ significantly from current assumptions.

Impairment and Impairment Reversals

The Company evaluates each asset or CGU (excluding goodwill, which is assessed for impairment annually regardless of indicators and is not eligible for impairment reversals) in each reporting period to determine if any indicators of impairment or impairment reversal exist. When completing an impairment test, the Company calculates the estimated recoverable amount of CGUs, which requires management to make estimates and assumptions with respect to items such as future production levels, operating and capital costs, long-term commodity prices, foreign exchange rates, discount rates, exploration potential, and closure and environmental remediation costs. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will have an impact on these projections, which may impact the recoverable amount of assets or CGUs. Accordingly, it is possible that some or the entire carrying amount of the assets or CGUs may be further impaired or the impairment charge reversed with the impact recognized in the consolidated statements of income and comprehensive income.

Joint Arrangements

Judgment is required to determine when the Company has joint control of a contractual arrangement, which requires a continuous assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Judgment is also continually required to classify a joint arrangement as either a joint operation or a joint venture when the arrangement has been structured through a separate vehicle. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. Specifically, the Company considers the legal form of the separate vehicle, the terms of the contractual arrangement and other relevant facts and circumstances. This assessment often requires significant judgment, and a different conclusion on joint control, or whether the arrangement is a joint operation or a joint venture, may have a material impact on the accounting treatment.

Management evaluated its joint arrangement with Yamana Gold Inc. ("Yamana") to each acquire 50.0% of the shares of Osisko (now Canadian Malartic Corporation) under the principles of IFRS 11 Joint Arrangements. The Company concluded that the arrangement qualified as a joint operation upon considering the following significant factors:

- The requirement that the joint operators purchase all output from the investee and investee restrictions on selling the output to any third party;
- The parties to the arrangement are substantially the only source of cash flow contributing to the continuity of the arrangement; and
- If the selling price drops below cost, the joint operators are required to cover any obligations the entity cannot satisfy.

5. ACQUISITIONS

Gunnarn Mining AB

On June 11, 2015, Agnico Eagle Sweden AB ("AE Sweden") an indirect wholly-owned subsidiary of the Company, acquired 55.0% of the issued and outstanding common shares of Gunnarn Mining AB ("Gunnarn") from Orex Minerals Inc. ("Orex"), by way of a share purchase agreement (the "Gunnarn SPA"). The operation and governance of Gunnarn and the Barsele project are governed by a joint venture agreement among the Company, AE Sweden, Orex and Gunnarn (the "Gunnarn JVA").

Under the Gunnarn SPA, the consideration for the acquisition of the 55.0% of Gunnarn's outstanding common shares was $10.0 million, comprised of $6.0 million in cash payable at closing and payments of $2.0 million in cash or, at AE Sweden's sole discretion, shares of the Company on each of the first and second anniversary of the closing. Under the Gunnarn JVA, AE Sweden committed to incur an aggregate of $7.0 million of exploration expenses at the Barsele project by June 11, 2018, 45.0% or $3.1 million of which is considered accrued purchase consideration. Accordingly, the Company's total purchase consideration for the acquisition of its 55.0% interest in Gunnarn was $13.1 million. AE Sweden may earn an additional 15.0% interest in Gunnarn under the Gunnarn JVA if it completes a feasibility study in respect of the Barsele project.

The Gunnarn JVA also provides AE Sweden with the right to nominate a majority of the members of the board of directors of Gunnarn (based on current shareholdings) and AE Sweden is the sole operator of the Barsele project and paid customary management fees.

In connection with the transaction, Orex also obtained a 2.0% net smelter return royalty on production from the Barsele property, which the Company may repurchase at any time for $5.0 million.

The Gunnarn acquisition was accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $0.6 million were capitalized to the mining properties acquired.

On September 25, 2015, Orex assigned its interest in the Gunnarn JV Agreement to Barsele Minerals Corp. ("Barsele Minerals"), which was at the time a wholly-owned subsidiary of Orex. All of the shares of Barsele Minerals were subsequently distributed to shareholders of Orex under a plan of arrangement.

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	$	5,994
Accrued consideration		7,150
Total purchase price to allocate	$	13,144

Fair value of assets acquired and liabilities assumed:

Mining properties	$	20,021
Cash and cash equivalents		3
Other current assets		35
Accounts payable and accrued liabilities		(80)
Long-term debt		(29)
Other liabilities		(6,806)
Net assets acquired	$	13,144

Soltoro Ltd.

On June 9, 2015, the Company acquired all of the issued and outstanding common shares of Soltoro Ltd. ("Soltoro"), including common shares issuable on the exercise of Soltoro's outstanding options and warrants, by way of a plan of arrangement under the *Canada Business Corporations Act* (the "Soltoro Arrangement"). At the time of its acquisition, Soltoro was a TSX Venture listed exploration company focused on the discovery of precious metals in Mexico.

Each outstanding share of Soltoro was exchanged under the Soltoro Arrangement for: (i) C$0.01 in cash; (ii) 0.00793 of an Agnico Eagle common share; and (iii) one common share of Palamina Corp., a company that was newly formed in connection with the Soltoro Arrangement.

Pursuant to the Soltoro Arrangement, Soltoro transferred all mining properties located outside of the state of Jalisco, Mexico to Palamina Corp., and retained all mining properties located within the state of Jalisco, Mexico. Agnico Eagle had no interest in Palamina Corp. upon the closing of the Soltoro Arrangement.

Agnico Eagle's total purchase price of $26.7 million was comprised of $2.4 million in cash, including $1.6 million in cash contributed to Palamina Corp., and 770,429 Agnico Eagle common shares issued from treasury. The Soltoro acquisition was accounted for as an asset acquisition and transaction costs associated with the acquisition totaling $1.4 million were capitalized to the mining properties acquired separately from the purchase price allocation set out below.

The following table sets out the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value:

Total purchase price:

Cash paid for acquisition	$	2,366
Agnico Eagle common shares issued for acquisition		24,351
Total purchase price to allocate	$	26,717

Fair value of assets acquired and liabilities assumed:

Mining properties	$	27,053
Cash and cash equivalents		2,375
Available-for-sale securities		17
Other current assets		130
Plant and equipment		33
Accounts payable and accrued liabilities		(1,134)
Other current liabilities		(1,757)
Net assets acquired	$	26,717

Malartic CHL Property

On March 19, 2015, Agnico Eagle, Yamana and the Partnership completed the purchase of a 30.0% interest in the Malartic CHL property from Abitibi Royalties Inc. ("Abitibi") in exchange for 459,197 Agnico Eagle common shares, 3,549,695 Yamana common shares and 3.0% net smelter return royalties to each of Abitibi and Osisko Gold Royalties Ltd. on the Malartic CHL property. Total Agnico Eagle common share consideration issued was valued at $13.4 million based on the closing price of the common shares on March 18, 2015. The Malartic CHL property is located adjacent to the Company's jointly owned Canadian Malartic mine and the remaining 70.0% interest in the Malartic CHL property was jointly acquired through the June 16, 2014 acquisition of Osisko (the predecessor to Canadian Malartic Corporation). Concurrent with the transaction closing, each of Abitibi, Agnico Eagle, Yamana, the Partnership and Canadian Malartic Corporation released and discharged the others with respect to all proceedings previously commenced by Abitibi with respect to the Malartic CHL property. As a result of the transaction, Agnico Eagle and Yamana jointly own a 100% interest in the Malartic CHL property through their respective indirect interests in the Partnership.

6. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period.

During the year ended December 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The Company's financial assets and liabilities include cash and cash equivalents, short-term investments, restricted cash, trade receivables, available-for-sale securities, accounts payable and accrued liabilities, long-term debt and derivative financial instruments.

The fair values of cash and cash equivalents, short-term investments, restricted cash and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

Long-term debt is recorded on the consolidated balance sheets at December 31, 2016 at amortized cost. The fair value of long-term debt is determined by applying a discount rate, reflecting the credit spread based on the Company's credit rating, to future related cash flows which is categorized within Level 2 of the fair value hierarchy. As at December 31, 2016, the Company's long-term debt had a fair value of $1,319.7 million (December 31, 2015 – $1,226.5 million).

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2016 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 8,185	$ –	$ 8,185
Available-for-sale securities	86,736	5,574	–	92,310
Fair value of derivative financial instruments	–	364	–	364
Total financial assets	$ 86,736	$ 14,123	$ –	$ 100,859
Financial liabilities:				
Fair value of derivative financial instruments	$ –	$ 1,120	$ –	$ 1,120
Total financial liabilities	$ –	$ 1,120	$ –	$ 1,120

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2015 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 7,714	$ –	$ 7,714
Available-for-sale securities	27,630	4,233	–	31,863
Fair value of derivative financial instruments	–	87	–	87
Total financial assets	$ 27,630	$ 12,034	$ –	$ 39,664
Financial liabilities:				
Fair value of derivative financial instruments	$ –	$ 8,073	$ –	$ 8,073
Total financial liabilities	$ –	$ 8,073	$ –	$ 8,073

Valuation Techniques

Trade Receivables

Trade receivables from provisional invoices for concentrate sales are valued using quoted forward rates derived from observable market data based on the month of expected settlement (classified within Level 2 of the fair value hierarchy).

Available-for-sale Securities

Available-for-sale securities representing shares of publicly traded entities are recorded at fair value using quoted market prices (classified within Level 1 of the fair value hierarchy). Available-for-sale securities representing shares of non-publicly traded entities or non-transferable shares of publicly traded entities are recorded at fair value using external broker-dealer quotations corroborated by option pricing models (classified within Level 2 of the fair value hierarchy).

Derivative Financial Instruments

Derivative financial instruments classified within Level 2 of the fair value hierarchy are recorded at fair value using external broker-dealer quotations corroborated by option pricing models or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs. Derivative financial instruments are classified as fair value through profit and loss.

7. INVENTORIES

	As at December 31, 2016	As at December 31, 2015
Ore in stockpiles and on leach pads	$ 90,536	$ 88,633
Concentrates and dore bars	108,193	108,657
Supplies	244,985	264,686
Total current inventories	$ 443,714	$ 461,976
Non-current ore in stockpiles and on leach pads [(i)]	62,780	61,167
Total inventories	$ 506,494	$ 523,143

Note:

(i) Ore that the Company does not expect to process within 12 months is classified as long-term and is recorded in the other assets line item on the consolidated balance sheets.

During the year ended December 31, 2016, a charge of $6.6 million (2015 – $8.6 million) was recorded within production costs to reduce the carrying value of inventories to their net realizable value.

8. AVAILABLE-FOR-SALE SECURITIES

	As at December 31, 2016	As at December 31, 2015
Cost	$ 91,200	$ 64,832
Accumulated impairment losses	(36,017)	(36,842)
Unrealized gains in accumulated other comprehensive income	37,634	4,030
Unrealized losses in accumulated other comprehensive income	(507)	(157)
Total estimated fair value of available-for-sale securities	$ 92,310	$ 31,863

During the year ended December 31, 2016, the Company received net proceeds of $6.0 million (2015 – $54.4 million) and recognized a gain before income taxes of $3.5 million (2015 – $24.6 million) on the sale of certain available-for-sale securities.

During the year ended December 31, 2016, the Company recorded an impairment loss of nil (2015 – $12.0 million) on certain available-for-sale securities that were determined to have an impairment that was significant or prolonged.

9. OTHER ASSETS

(a) Other Current Assets

		As at December 31, 2016		As at December 31, 2015
Federal, provincial and other sales taxes receivable	$	77,380	$	89,313
Prepaid expenses		47,416		71,811
Insurance receivable		–		12,288
Other		12,014		21,277
Total other current assets	$	136,810	$	194,689

(b) Other Assets

		As at December 31, 2016		As at December 31, 2015
Non-current ore in stockpiles and on leach pads	$	62,780	$	61,167
Other assets		11,383		6,071
Total other assets	$	74,163	$	67,238

10. PROPERTY, PLANT AND MINE DEVELOPMENT

	Mining Properties	Plant and Equipment	Mine Development Costs	Total
As at December 31, 2014	$ 1,939,940	$ 2,009,247	$ 1,206,678	$ 5,155,865
Additions	103,664	174,477	283,221	561,362
Disposals	(88)	(6,269)	(1,757)	(8,114)
Amortization	(168,612)	(352,090)	(99,444)	(620,146)
Transfers between categories	(209,294)	239,041	(29,747)	–
As at December 31, 2015	1,665,610	2,064,406	1,358,951	5,088,967
Additions	53,072	244,018	279,119	576,209
Gain on impairment reversal	83,992	36,169	–	120,161
Disposals	(1,890)	(17,658)	–	(19,548)
Amortization	(207,383)	(342,208)	(110,162)	(659,753)
Transfers between categories	12,135	39,556	(51,691)	–
As at December 31, 2016	$ 1,605,536	$ 2,024,283	$ 1,476,217	$ 5,106,036
As at December 31, 2015				
Cost	$ 3,330,464	$ 4,273,798	$ 1,867,172	$ 9,471,434
Accumulated amortization and net impairments	(1,664,854)	(2,209,392)	(508,221)	(4,382,467)
Net carrying amount – December 31, 2015	$ 1,665,610	$ 2,064,406	$ 1,358,951	$ 5,088,967
As at December 31, 2016				
Cost	$ 2,593,659	$ 4,233,945	$ 2,050,980	$ 8,878,584
Accumulated amortization and net impairments	(988,122)	(2,209,663)	(574,763)	(3,772,548)
Net carrying amount – December 31, 2016	$ 1,605,537	$ 2,024,282	$ 1,476,217	$ 5,106,036

As at December 31, 2016, assets under construction, and therefore not yet being depreciated, included in the net carrying amount of property, plant and mine development amounted to $532.3 million (December 31, 2015 – $350.7 million).

During the year ended December 31, 2016, the Company disposed of property, plant and mine development with a carrying value of $19.5 million (2015 – $8.1 million). The loss on disposal was recorded in the other expenses line item in the consolidated statements of income and comprehensive income.

Geographic Information:

	As at December 31, 2016	As at December 31, 2015
Northern Business:		
Canada	$ 3,266,594	$ 3,196,494
Finland	867,257	851,867
Southern Business:		
Mexico	961,943	1,030,364
United States	10,242	10,242
Total property, plant and mine development	$ 5,106,036	$ 5,088,967

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2016	As at December 31, 2015
Trade payables	$ 111,173	$ 121,633
Wages payable	42,522	40,020
Accrued liabilities	55,893	51,533
Other liabilities	18,978	30,600
Total accounts payable and accrued liabilities	$ 228,566	$ 243,786

In 2016 and 2015, the other liabilities balance consisted primarily of various employee payroll tax withholdings and other payroll taxes.

12. RECLAMATION PROVISION

Agnico Eagle's reclamation provision includes both asset retirement obligations and environmental remediation liabilities. Reclamation provision estimates are based on current legislation, third party estimates, management's estimates and feasibility study calculations. Assumptions based on current economic conditions, which the Company believes are reasonable, have been used to estimate the reclamation provision. However, actual reclamation costs will ultimately depend on future economic conditions and costs for the necessary reclamation work. Changes in reclamation provision estimates during the period reflect changes in cash flow estimates as well as assumptions including discount and inflation rates. The discount rates used in the calculation of the reclamation provision at December 31, 2016 ranged between 0.74% and 2.35% (December 31, 2015 – between 0.48% and 2.37%).

The following table reconciles the beginning and ending carrying amounts of the Company's asset retirement obligations. The settlement of the obligation is estimated to occur through to 2069.

	Year Ended December 31, 2016	Year Ended December 31, 2015
Asset retirement obligations – long-term, beginning of year	$ 269,068	$ 242,615
Asset retirement obligations – current, beginning of year	4,443	2,863
Current year additions and changes in estimate, net	(9,112)	64,305
Current year accretion	3,847	4,178
Liabilities settled	(1,113)	(1,496)
Foreign exchange revaluation	(1,474)	(38,954)
Reclassification from long-term to current, end of year	(5,953)	(4,443)
Asset retirement obligations – long-term, end of year	$ 259,706	$ 269,068

The following table reconciles the beginning and ending carrying amounts of the Company's environmental remediation liability. The settlement of the obligation is estimated to occur through to 2025.

	Year Ended December 31, 2016	Year Ended December 31, 2015
Environmental remediation liability – long-term, beginning of year	$ 7,231	$ 7,302
Environmental remediation liability – current, beginning of year	1,802	3,906
Current year additions and changes in estimate, net	243	180
Liabilities settled	(1,606)	(562)
Foreign exchange revaluation	1,172	(1,793)
Reclassification from long-term to current, end of year	(3,240)	(1,802)
Environmental remediation liability – long-term, end of year	$ 5,602	$ 7,231

13. LEASES

(a) Finance 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 IAS 17 – Leases. The sale-leaseback agreements have an average effective annual interest rate of 3.3% and the average length of the contracts is five 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, 2016, the total net book value of assets recorded under sale-leaseback finance leases amounted to $5.3 million (December 31, 2015 – $7.1 million).

The Company has agreements with third party providers of mobile equipment. These arrangements represent finance leases in accordance with the guidance in IAS 17 – Leases. The leases are for two to seven years and have an average effective annual interest rate of 8.2%.

As a result of its June 16, 2014 joint acquisition of Osisko, Agnico Eagle assumed indirect attributable secured finance lease obligations of C$38.3 million ($35.3 million) provided in separate tranches with maturities ranging between 2015 and 2019 and a 7.5% interest rate. As at December 31, 2016, the Company's attributable finance lease obligations amounted to $5.9 million (December 31, 2015 – $13.7 million).

The following table sets out future minimum lease payments under finance leases together with the present value of the net minimum lease payments:

	As at December 31, 2016			As at December 31, 2015		
	Minimum Finance Lease Payments	**Interest**	**Present Value**	**Minimum Finance Lease Payments**	**Interest**	**Present Value**
Within 1 year	$ 5,955	$ 420	$ 5,535	$ 10,191	$ 602	$ 9,589
Between 1 – 5 years	6,630	311	$ 6,319	10,057	510	9,547
Total	$ 12,585	$ 731	$ 11,854	$ 20,248	$ 1,112	$ 19,136

As at December 31, 2016, the total net book value of assets recorded under finance leases, including sale-leaseback finance leases, was $21.1 million (December 31, 2015 – $38.0 million). The amortization of assets recorded under finance leases is included in the amortization of property, plant and mine development line item of the consolidated statements of income and comprehensive income.

(b) Operating Leases

The Company has a number of operating lease agreements involving office facilities. 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 are as follows:

	As at December 31, 2016	As at December 31, 2015
Within 1 year	$ 3,691	$ 1,780
Between 1 – 3 years	4,780	2,479
Between 3 – 5 years	2,127	2,205
Thereafter	9,543	10,272
Total	$ 20,141	$ 16,736

During the year ended December 31, 2016, $2.1 million (year ended December 31, 2015 – $1.4 million) of operating lease payments were recognized in the consolidated statements of income.

14. LONG-TERM DEBT

	As at December 31, 2016	As at December 31, 2015
Credit Facility[(i)(ii)]	$ (6,416)	$ 258,083
2016 Notes[(i)]	347,716	–
2015 Note[(i)]	49,429	49,364
2012 Notes[(i)]	198,894	198,722
2010 Notes[(i)]	598,167	597,567
Other attributable debt instruments	14,896	28,902
Total debt	$ 1,202,686	$ 1,132,638
Less: current portion	129,896	14,451
Total long-term debt	$ 1,072,790	$ 1,118,187

(i) Inclusive of deferred financing costs. The terms of the 2016 Notes, 2015 Note, 2012 Notes and 2010 Notes are defined below.

(ii) Amounts outstanding under the Credit Facility (as defined below) were fully repaid as at December 31, 2016. The December 31, 2016 balance relates to deferred financing costs which are being amortized on a straight-line basis until the maturity date of June 22, 2021. Credit Facility availability is reduced by outstanding letters of credit, amounting to $0.8 million at December 31, 2016.

Scheduled Debt Principal Repayments

	2017	2018	2019	2020	2021	2022 and Thereafter	Total
2016 Notes	$ –	$ –	$ –	$ –	$ –	$ 350,000	$ 350,000
2015 Note	–	–	–	–	–	50,000	50,000
2012 Notes	–	–	–	–	–	200,000	200,000
2010 Notes	115,000	–	–	360,000	–	125,000	600,000
Other attributable debt instruments	14,896	–	–	–	–	–	14,896
Total	$ 129,896	$ –	$ –	$ 360,000	$ –	$ 725,000	$ 1,214,896

Credit Facility

On September 30, 2015, the Company amended its unsecured revolving bank credit facility (the "Credit Facility"), extending the maturity date from June 22, 2019 to June 22, 2020 and amending pricing terms.

On October 26, 2016, the Company further amended the Credit Facility to, among other things, extend the maturity date from June 22, 2020 to June 22, 2021 and amend pricing terms.

At December 31, 2016, the Credit Facility was fully repaid (December 31, 2015 – drawn down by $265.0 million). Outstanding letters of credit under the Credit Facility resulted in Credit Facility availability of $1,199.2 million at December 31, 2016.

2016 Notes

On June 30, 2016, the Company closed a $350.0 million private placement of guaranteed senior unsecured notes (the "2016 Notes") which, on issuance, had a weighted average maturity of 9.43 years and weighted average yield of 4.77%. Proceeds from the offering of the 2016 Notes were used to repay amounts outstanding under the Credit Facility.

The following table sets out details of the individual series of the 2016 Notes:

	Principal	Interest Rate	Maturity Date
Series A	$ 100,000	4.54%	6/30/2023
Series B	200,000	4.84%	6/30/2026
Series C	50,000	4.94%	6/30/2028
Total	$ 350,000		

2015 Note

On September 30, 2015, the Company closed a private placement consisting of a $50.0 million guaranteed senior unsecured note (the "2015 Note") with a September 30, 2025 maturity date and a yield of 4.15%. An amount equal to or greater than the net proceeds from the 2015 Note must be applied toward mining projects in the Province of Quebec, Canada.

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 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
Total	$	200,000		

2010 Notes

On April 7, 2010, the Company closed a $600.0 million private placement of guaranteed senior unsecured notes (the "2010 Notes" and, together with the 2016 Notes, the 2015 Note and the 2012 Notes, the "Notes") which, on issuance, had a weighted average maturity of 9.84 years and 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
Total	$	600,000		

CMGP Convertible Debentures

In connection with its joint acquisition of Osisko on June 16, 2014, the Partnership was assigned and assumed certain outstanding debt obligations of Osisko relating to the Canadian Malartic mine. Agnico Eagle's indirect attributable interest in such debt instruments included senior unsecured convertible debentures (the "CMGP Convertible Debentures") with principal outstanding of C$37.5 million ($34.6 million), a November 2017 maturity date and a 6.875% interest rate.

On June 30, 2015, the negotiated early settlement of all of the CMGP Convertible Debentures was completed. As a result of this settlement, 871,680 Agnico Eagle common shares with a fair value of $24.8 million were released from a depositary to the holders of the CMGP Convertible Debentures along with a cash payment of $10.1 million to settle the Company's share of the obligations. In the year ended December 31, 2015, a mark-to-market loss of $2.4 million was recorded in the other expenses line item of the consolidated statements of income and comprehensive income related to the CMGP Convertible Debentures. Additional cash consideration of $3.2 million was paid to the holders of the CMGP Convertible Debentures upon settlement and was recorded in the other expenses line item of the consolidated statements of income and comprehensive income. As at December 31, 2015, the CMGP Convertible Debentures had principal outstanding of nil.

Other Loans

In connection with its joint acquisition of Osisko on June 16, 2014, the Partnership was assigned and assumed certain outstanding debt obligations of Osisko relating to the Canadian Malartic mine. Agnico Eagle's indirect attributable interest in such debt obligations included a secured loan facility (the "CMGP Loan"). A scheduled repayment of C$20.0 million ($15.4 million) was made on June 30, 2016, resulting in attributable outstanding principal of C$20.0 million ($14.9 million) as at December 31, 2016 (December 31, 2015 – $28.9 million).

Covenants

Payment and performance of Agnico Eagle's obligations under the Credit Facility and the Notes is guaranteed by each of its material subsidiaries and certain of its other subsidiaries (the "Guarantors").

The Credit Facility contains covenants that limit, among other things, the ability of the Company to incur additional indebtedness, make distributions in certain circumstances and sell material assets.

The note purchase agreements pursuant to which the Notes were issued (the "Note Purchase Agreements") contain covenants that restrict, among other things, the ability of the Company to amalgamate or otherwise transfer its assets, sell material assets, carry on a business other than one related to mining and the ability of the Guarantors to incur indebtedness.

The Credit Facility and Note Purchase Agreements also require the Company to maintain a total net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio below a specified maximum value.

The CMGP Loan requires the Partnership to maintain a minimum EBITDA to interest expense ratio and a maximum debt to EBITDA ratio.

The Company was in compliance with all covenants contained in the Credit Facility and Note Purchase Agreements as at December 31, 2016. The Partnership was in compliance with all CMGP Loan covenants as at December 31, 2016.

Interest on Long-term Debt

Total long-term debt interest costs incurred during the year ended December 31, 2016 were $63.1 million (2015 – $58.8 million).

Total borrowing costs capitalized to property, plant and mine development during the year ended December 31, 2016 were $3.1 million (2015 – $1.7 million) at a capitalization rate of 1.70% (2015 – 1.25%).

During the year ended December 31, 2016, cash interest paid on the Credit Facility was $3.6 million (2015 – $8.7 million), cash standby fees paid on the Credit Facility were $5.2 million (2015 – $3.8 million) and cash interest paid on the Notes was $59.8 million (2015 – $49.4 million).

15. OTHER LIABILITIES

Other liabilities consist of the following:

	As at December 31, 2016	As at December 31, 2015
Long-term portion of capital lease obligations (note 13(a))	$ 6,319	$ 9,547
Pension benefit obligations (note 15(a))	19,273	17,146
Other	8,603	7,345
Total other liabilities	$ 34,195	$ 34,038

(a) ***Pension Benefit Obligations***

Executives Plan

Agnico Eagle provides the Executives Plan for certain current and former senior officers. It is considered a defined benefit plan as defined in IAS 19 – Employee Benefits with a pension formula based on final average earnings in excess of the amounts payable from the registered plan. Assets for the Executives Plan consist of deposits on hand with regulatory authorities that are refundable when benefit payments are made or on the ultimate wind-up of the plan. The estimated average remaining service life of the plan at December 31, 2016 is 2.0 years. The funded status of the Executives Plan is based on actuarial valuations performed as of December 31, 2016.

The funded status of the Executives Plan for 2016 and 2015 is as follows:

	Year Ended December 31,	
	2016	**2015**
Reconciliation of the Executives Plan assets:		
Executives Plan assets, beginning of year	$ 2,011	$ 2,278
Agnico Eagle's contributions	327	312
Benefit payments	(88)	(202)
Administrative Expenses	(119)	–
Interest on Executives Plan assets	86	83
Net return on Executives Plan assets excluding interest	(86)	(83)
Effect of exchange rate changes	61	(377)
Executives Plan assets, end of year	2,192	2,011
Reconciliation of Executives Plan defined benefit obligation:		
Defined benefit obligation, beginning of year	10,641	11,895
Service cost	326	435
Benefit payments	(88)	(202)
Interest cost	456	445
Actuarial losses arising from changes in economic assumptions	400	–
Actuarial (gains) losses arising from Executives Plan experience	(185)	48
Effect of exchange rate changes	317	(1,980)
Defined benefit obligation, end of year	11,867	10,641
Net defined benefit liability, end of year	$ 9,675	$ 8,630

The components of Agnico Eagle's pension expense recognized in the consolidated statements of income relating to the Executives Plan are as follows:

	Year Ended December 31,	
	2016	**2015**
Service cost	$ 326	$ 435
Administrative Expenses	119	–
Interest cost on defined benefit obligation	456	445
Interest on Executives Plan assets	(86)	(83)
Pension expense	$ 815	$ 797

The remeasurements of the net defined benefit liability recognized in other comprehensive income (loss) relating to the Executives Plan are as follows:

	Year Ended December 31,	
	2016	**2015**
Actuarial losses relating to the defined benefit obligation	$ 215	$ 48
Net return on Executives Plan assets excluding interest	86	83
Total remeasurements of the net defined benefit liability	$ 301	$ 131

In 2017, the Company expects to make contributions of $0.2 million and benefit payments of $0.1 million related to the Executives Plan.

The following table sets out significant weighted average assumptions used in measuring the Company's Executives Plan defined benefit obligation:

	As at December 31,	
	2016	**2015**
Assumptions:		
Discount rate – beginning of year	4.0%	4.0%
Discount rate – end of year	3.8%	4.0%
Rate of compensation increase	3.0%	3.0%

The following is a summary of the effect of changes in significant actuarial assumptions on the Company's Executives Plan defined benefit obligation:

	As at December 31, 2016
Change in assumption:	
0.5% increase in discount rate	$ (766)
0.5% decrease in discount rate	845
0.5% increase in the rate of compensation increase	19
0.5% decrease in the rate of compensation increase	(19)

The summary of the effect of changes in significant actuarial assumptions was prepared using the same methods and actuarial assumptions as those used for the calculation of the Executives Plan defined benefit obligation as at the end of the fiscal year, except for the change in the single actuarial assumption being evaluated. The modification of several actuarial assumptions at the same time could lead to different results.

Other Plans

In addition to the Executives Plan, the Company maintains the Basic Plan and the Supplemental Plan. Under the Basic Plan, Agnico Eagle contributes 5.0% of certain employees' base employment compensation to a defined contribution plan. In 2016, $9.7 million (2015 – $9.8 million) was contributed to the Basic Plan, $0.2 million of which related to contributions for key management personnel (2015 – $0.2 million). 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 10.0% of the designated executive's earnings for the year (including salary and short-term bonus). In 2016, the Company made $1.4 million (2015 – $1.3 million) in notional contributions to the Supplemental Plan, $0.9 million (2015 – $0.9 million) of which related to contributions for key management personnel. The Company's liability related to the Supplemental Plan is $7.1 million at December 31, 2016 (December 31, 2015 – $5.3 million). The Supplemental Plan is accounted for as a cash balance plan.

16. EQUITY

Common Shares

The Company's authorized share capital includes an unlimited number of common shares with no par value. As at December 31, 2016, Agnico Eagle's issued common shares totaled 225,465,654 (December 31, 2015 – 218,028,368), less 500,514 common shares held in a trust (December 31, 2015 – 377,573 common shares held in a trust).

369,972 common shares are held in a trust in connection with the Company's RSU plan (December 31, 2015 – 373,785 common shares held in a trust). 124,500 common shares are held in a trust in connection with the Company's PSU plan (December 31, 2015 – nil).

In the first quarter of 2015, a Long Term Incentive Plan ("LTIP") was implemented for certain employees of the Partnership and Canadian Malartic Corporation, both of which are jointly-owned, comprised of 50.0% deferred cash, 25.0% Agnico Eagle common shares and 25.0% Yamana common shares and vesting over a period ranging between 18 to 36 months. As at December 31, 2016, 6,042 Agnico Eagle common shares were held in a trust in connection with the LTIP (December 31, 2015 – 3,788 common shares held in a trust).

The trusts have been evaluated under IFRS 10 – Consolidated Financial Statements and are consolidated in the accounts of the Company, with shares held in trust offset against the Company's issued shares in its consolidated financial statements. The common shares purchased and held in a trust are excluded from the basic net income per share calculations until they have vested. All of the non-vested common shares held in a trust are included in the diluted net income per share calculations, unless the impact is anti-dilutive.

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding at December 31, 2016 were exercised:

Common shares outstanding at December 31, 2016	224,965,140
Employee stock options	5,478,837
Common shares held in a trust in connection with the RSU plan (note 18(c)), PSU plan (note 18(d)) and LTIP	500,514
Total	230,944,491

Net Income Per Share

The following table sets out the weighted average number of common shares used in the calculation of basic and diluted net income per share:

	Year Ended December 31,	
	2016	**2015**
Net income for the year	$ 158,824	$ 24,583
Weighted average number of common shares outstanding – basic (in thousands)	222,737	216,168
Add: Dilutive impact of common shares related to the RSU plan, PSU plan and LTIP	639	300
Add: Dilutive impact of employee stock options	2,378	633
Weighted average number of common shares outstanding – diluted (in thousands)	225,754	217,101
Net income per share – basic	$ 0.71	$ 0.11
Net income per share – diluted	$ 0.70	$ 0.11

Diluted net income per share has been calculated using the treasury stock method. In applying the treasury stock method, outstanding employee stock options with an exercise price greater than the average quoted market price of the common shares for the period outstanding are not included in the calculation of diluted net income per share as the impact would be anti-dilutive.

For the year ended December 31, 2016, 20,000 (year ended December 31, 2015 – 6,806,055) employee stock options were excluded from the calculation of diluted net income per share as their impact would have been anti-dilutive.

Flow-through share private placement

On March 10, 2016, the Company raised approximately C$25.0 million ($18.7 million) through the issuance of 374,869 flow-through common shares at a price of C$66.69 per common share. Flow-through shares are securities issued to investors whereby the deductions for tax purposes related to resource exploration and evaluation expenditures may be claimed by investors instead of the issuer, subject to a renouncement process. At the time the flow-through shares were issued, the sale of tax deductions were deferred and were presented in the accounts payable and accrued liabilities line item in the consolidated balance sheets because the Company had not yet fulfilled its obligation to pass on the tax deductions to the investor. At the time the Company fulfills its obligation, the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense. The closing price of the Company's common shares on the March 10, 2016 issuance date was C$48.49, resulting in an increase to share capital of approximately C$18.2 million ($13.6 million). The initial C$6.8 million ($5.1 million) liability is drawn down as eligible expenditures are incurred because the Company has a positive intention to renounce these expenses. During the year ended December 31, 2016, the liability was fully extinguished based on eligible expenditures incurred.

17. REVENUES FROM MINING OPERATIONS AND TRADE RECEIVABLES

Agnico Eagle is a gold mining company with mining operations in Canada, Mexico and Finland. The Company earns a significant proportion of its revenues from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of by-product metals. The revenue from by-product metals is primarily generated by production at the LaRonde mine in Canada (silver, zinc and copper) and the Pinos Altos mine in Mexico (silver).

The cash flow and profitability of the Company's operations are significantly affected by the market price of gold and, to a lesser extent, silver, zinc and copper. The prices of these metals can fluctuate significantly and are affected by numerous factors beyond the Company's control.

During the year ended December 31, 2016, four customers each contributed more than 10.0% of total revenues from mining operations for a combined total of approximately 80.9% of revenues from mining operations in the Northern and Southern business units. However, because gold can be sold through numerous gold market traders worldwide, the Company is not economically dependent on a limited number of customers for the sale of its product.

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. As at December 31, 2016, the Company had $8.2 million (December 31, 2015 – $7.7 million) in receivables relating to provisionally priced concentrate sales. For the year ended December 31, 2016, the Company recognized mark-to-market gains of $0.6 million (year ended December 31, 2015 – losses of $0.5 million) on concentrate receivables.

	Year Ended December 31,	
	2016	2015
Revenues from mining operations:		
Gold	$ 2,049,871	$ 1,911,500
Silver	85,096	66,991
Zinc	1,413	505
Copper	1,852	6,436
Total revenues from mining operations	$ 2,138,232	$ 1,985,432

In 2016, precious metals (gold and silver) accounted for 99.9% of Agnico Eagle's revenues from mining operations (2015 – 99.7%). The remaining revenues from mining operations consisted of net by-product metal revenues from non-precious metals.

18. STOCK-BASED COMPENSATION

(a) Employee Stock Option Plan

The Company's ESOP provides for the grant of stock options to directors, officers, employees and service providers to purchase common shares. Under the ESOP, stock options are granted at the fair market value of the underlying shares on the day prior to the date of grant. The number of common shares that may be reserved for issuance to any one person pursuant to stock options (under the ESOP or otherwise), warrants, share purchase plans or other arrangements may not exceed 5.0% of the Company's common shares issued and outstanding at the date of grant.

On April 24, 2001, the Compensation Committee of the Board adopted a policy pursuant to which stock options granted after that date have a maximum term of five years. In 2016, the shareholders approved a resolution to increase the number of common shares reserved for issuance under the ESOP to 31,300,000 common shares.

Of the 2,160,075 stock options granted under the ESOP in 2016, 540,027 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2021, vest in equal installments on each anniversary date of the grant over a three-year period. Of the 3,068,080 stock options granted under the ESOP in 2015, 688,995 stock options vested immediately. The remaining stock options, all of which expire in 2020, vest in equal installments on each anniversary date of the grant over a three-year period. Upon the exercise of stock options under the ESOP, the Company issues common shares from treasury to settle the obligation.

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

	Year Ended December 31, 2016		Year Ended December 31, 2015	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	12,082,212	C$ 43.65	11,913,210	C$ 48.84
Granted	2,160,075	36.65	3,068,080	29.09
Exercised	(6,492,907)	38.48	(747,683)	29.68
Forfeited	(141,038)	38.42	(92,314)	40.40
Expired	(2,129,505)	76.46	(2,059,081)	57.20
Outstanding, end of year	5,478,837	C$ 34.40	12,082,212	C$ 43.65
Options exercisable, end of year	1,606,558	C$ 40.27	7,519,120	C$ 50.71

The average share price of Agnico Eagle's common shares during the year ended December 31, 2016 was C$58.52 (year ended December 31, 2015 – C$36.16).

The weighted average grant date fair value of stock options granted in 2016 was C$9.69 (2015 – $C8.10).

The following table sets out information about Agnico Eagle's stock options outstanding and exercisable at December 31, 2016:

	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$28.03 – C$38.15	4,747,712	3.15 years	C$ 31.65	907,308	C$ 31.06
C$40.66 – C$66.17	731,125	1.16 years	$ 52.25	699,250	$ 52.23
C$28.03 – C$66.17	5,478,837	2.89 years	C$ 34.40	1,606,558	C$ 40.27

The weighted average remaining contractual term of stock options exercisable at December 31, 2016 was 2.08 years.

The Company has reserved for issuance 5,478,837 common shares in the event that these stock options are exercised.

The number of common shares available for the grant of stock options under the ESOP as at December 31, 2016 and December 31, 2015 was 6,289,059 and 2,678,591, respectively.

Subsequent to the year ended December 31, 2016, 2,003,140 stock options were granted under the ESOP, of which 500,796 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2022, 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:

	Year Ended December 31,	
	2016	**2015**
Risk-free interest rate	0.89%	1.50%
Expected life of stock options (in years)	2.5	2.7
Expected volatility of Agnico Eagle's share price	45.0%	45.0%
Expected dividend yield	1.33%	1.69%

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 total compensation expense for the ESOP recorded in the general and administrative line item of the consolidated statements of income and comprehensive income for 2016 was $16.6 million (2015 – $20.1 million). Of the total compensation cost for the ESOP, $0.3 million was capitalized as part of the property, plant and mine development line item of the consolidated balance sheets in 2016 (2015 – $0.6 million).

(b) Incentive Share Purchase Plan

On June 26, 1997, the Company's shareholders approved the ISPP to encourage Participants to purchase Agnico Eagle's common shares at market value. In 2009, the ISPP was amended to remove non-executive directors as eligible Participants.

Under the ISPP, Participants may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each Participant's contribution. All common shares subscribed for under the ISPP are issued by the Company. The total compensation cost recognized in 2016 related to the ISPP was $5.1 million (2015 – $4.7 million).

In 2016, 344,778 common shares were subscribed for under the ISPP (2015 – 512,438) for a value of $15.4 million (2015 – $14.0 million). In May 2015, the Company's shareholders approved an increase in the maximum number of common shares reserved for issuance under the ISPP to 7,100,000 from 6,100,000. As at December 31, 2016, Agnico Eagle has reserved for issuance 1,554,970 common shares (2015 – 1,899,748) under the ISPP.

(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 as eligible participants.

A deferred compensation balance is recorded for the total grant date value on the date of each RSU plan grant. The deferred compensation balance is recorded as a reduction of equity and is amortized as compensation expense over the vesting period of three years.

In 2016, 354,592 (2015 – 423,822) RSUs were granted with a grant date fair value of $28.62 (2015 – $27.99). In 2016, the Company funded the RSU plan by transferring $10.1 million (2015 – $11.5 million) to an employee benefit trust that then purchased common shares of the Company in the open market. The grant date fair value of the RSUs generally approximates the cost of purchasing the shares in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding.

Compensation expense related to the RSU plan was $10.4 million in 2016 (2015 – $12.0 million). Compensation expense related to the RSU plan is included as part of the general and administrative line item of the consolidated statements of income and comprehensive income.

Subsequent to the year ended December 31, 2016, 360,500 RSUs were granted under the RSU plan.

(d) Performance Share Unit Plan

Beginning in 2016, the Company adopted a PSU plan for senior executives of the Company. PSUs are subject to vesting requirements over a three year period based on specific performance measurements established by the Company. The fair value for the portion of the PSUs related to market conditions is based on the application of pricing models at the grant date and the fair value for the portion related to non-market conditions is based on the market value of the shares at the grant date. Compensation expense is based on the current best estimate of the outcome for the specific performance measurement established by the Company and is recognized over the vesting period based on the number of units estimated to vest.

In 2016, 183,000 (2015 – nil) PSUs were granted with a grant date fair value of $32.20. The Company funded the PSU plan by transferring $5.3 million (2015 – nil) to an employee benefit trust that then purchased common shares of the Company in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding.

Compensation expense related to the PSU plan was $2.2 million in 2016 (2015 – nil). Compensation expense related to the PSU plan is included as part of the general and administrative line item of the consolidated statements of income and comprehensive income.

Subsequent to the year ended December 31, 2016, 182,000 PSUs were granted under the PSU plan.

19. CAPITAL AND FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, commodity price risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management policy is to support the delivery of the Company's financial targets while minimizing the potential adverse effects on the Company's performance.

Risk management is carried out by a centralized treasury department under policies approved by the Board. The Company's financial activities are governed by policies and procedures and its financial risks are identified, measured and managed in accordance with its policies and risk tolerance.

a) Market Risk

Market risk is the risk that changes in market factors, such as interest rates, commodity prices and foreign exchange rates, will affect the value of Agnico Eagle's financial instruments. The Company can choose to either accept market risk or mitigate it through the use of derivatives and other economic hedging strategies.

i. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations that have floating interest rates.

The impact of a 1.0% change in interest rates on income before income and mining taxes and equity as at December 31, 2016 is approximately $2.6 million (2015 – $4.5 million).

ii. Commodity Price Risk

a. Metal Prices

Agnico Eagle's revenues from mining operations and net income are sensitive to metal prices. Changes in the market price of gold may be attributed to numerous factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. Changes in the market prices of by-product metals (silver, zinc and copper) may be attributed to factors such as demand and global mine production levels.

In order to mitigate the impact of fluctuating by-product metal prices, the Company occasionally enters into derivative financial instrument contracts under its Board-approved Risk Management Policies and Procedures. The Company has a long-standing policy of no forward gold sales. However, the policy does allow the Company to use other economic hedging strategies, where appropriate, to mitigate by-product metal pricing risks. The Company occasionally buys put options, enters into price collars and enters into forward contracts to protect minimum by-product metal prices while maintaining full exposure to the price of gold. The Risk Management Committee has approved the strategy of using short-term call options in an attempt to enhance the realized by-product metal prices. The Company's policy does not allow speculative trading.

b. Fuel

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of its diesel fuel costs (refer to note 20 to these consolidated financial statements for further details on derivative financial instruments).

iii. Foreign Currency Risk

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant currency risk exposure. The Company enters into currency economic hedging transactions under the Board-approved Foreign Exchange Risk Management Policies and Procedures to hedge part of its foreign currency exposure. The policy does not

permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), as it does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes (refer to note 20 to these consolidated financial statements for further details on the Company's derivative financial instruments).

The following table sets out the translation impact on income before income and mining taxes and equity for the year ended December 31, 2016 of a 10.0% change in the exchange rate of the US dollar relative to the Canadian dollar, Euro and Mexican peso, with all other variables held constant.

	Impact on Income Before Income and Mining Taxes and Equity	
	10.0% Strengthening of the US Dollar	**10.0% Weakening of the US Dollar**
Canadian dollar	$ 7,015	$ (7,015)
Euro	$ 2,159	$ (2,159)
Mexican peso	$ (66)	$ 66

b) Credit Risk

Credit risk is the risk that a third party might fail to fulfill its obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, short-term investments, restricted cash, trade receivables and derivative financial instruments. The Company holds its cash and cash equivalents, restricted cash and short-term investments in highly rated financial institutions resulting in a low level of credit risk. For trade receivables and derivative financial instruments, historical levels of default have been negligible, resulting in a low level of credit risk. The Company mitigates credit risk by dealing with recognized credit-worthy counterparties and limiting concentration risk. For derivative financial instrument liabilities, the Company assumes no credit risk when the fair value of an instrument is negative. The maximum exposure to credit risk is equal to the carrying amount of the instruments as follows:

	As at December 31, 2016	**As at December 31, 2015**
Cash and cash equivalents	$ 539,974	$ 124,150
Short-term investments	8,424	7,444
Restricted cash	1,162	1,426
Trade receivables	8,185	7,714
Derivative financial instrument assets	364	87
Total	$ 558,109	$ 140,821

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds by monitoring its debt rating and projected cash flows taking into account the maturity dates of existing debt and other payables. The Company manages exposure to liquidity risk by maintaining cash balances, having access to undrawn credit facilities and access to public debt markets. Contractual maturities relating to finance lease obligations are detailed in note 13(a) to these consolidated financial statements and contractual maturities relating to long-term debt are detailed in note 14 to these consolidated financial statements. Other financial liabilities, including accounts payable and accrued liabilities and derivative financial instruments, have maturities within one year of December 31, 2016.

d) Capital Risk Management

The Company's primary capital management objective is to maintain an optimal capital structure to support current and long-term business activities and to provide financial flexibility in order to maximize value for equity holders.

Agnico Eagle's capital structure comprises a mix of long-term debt and total equity as follows:

	As at December 31, 2016	As at December 31, 2015
Long-term debt	$ 1,202,686	$ 1,132,638
Total equity	4,492,474	4,141,020
Total	$ 5,695,160	$ 5,273,658

The Company manages its capital structure and makes adjustments to it based on changes in economic conditions and the requirements of financial covenants. To effectively manage its capital requirements, Agnico Eagle has in place a rigorous planning, budgeting and forecasting process to ensure it has the appropriate liquidity to meet its operating and growth objectives. The Company has the ability to adjust its capital structure by various means.

See note 14 to these consolidated financial statements for details related to Agnico Eagle's compliance with its long-term debt covenants.

20. DERIVATIVE FINANCIAL INSTRUMENTS

Currency Risk Management

The Company utilizes foreign exchange economic hedges to reduce the variability in expected future cash flows arising from changes in foreign currency exchange rates. The Company is primarily exposed to currency fluctuations relative to the US dollar as a portion of the Company's operating costs and capital expenditures are denominated in foreign currencies; primarily the Canadian dollar, the Euro and the Mexican peso. These potential currency fluctuations increase the volatility of, and could have a significant impact on, the Company's production costs. The economic hedges relate to a portion of the foreign currency denominated cash outflows arising from foreign currency denominated expenditures. The Company does not apply hedge accounting to these arrangements.

As at December 31, 2016, the Company had outstanding foreign exchange zero cost collars. 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, 2016, the zero cost collars related to $179.4 million of 2017

expenditures and the Company recognized mark-to-market adjustments in the (gain) loss on derivative financial instruments line item of the consolidated statements of income and comprehensive income. Mark-to-market gains and losses related to foreign exchange derivative financial instruments are recorded at fair value based on broker-dealer quotations corroborated by option pricing models that utilize period end forward pricing of the applicable foreign currency to calculate fair value.

The Company's other foreign currency derivative strategies in 2016 and 2015 consisted mainly of writing US dollar call options with short maturities to generate premiums that would, in essence, enhance the spot transaction rate received when exchanging US dollars for Canadian dollars and Mexican pesos. All of these derivative transactions expired prior to period end such that no derivatives were outstanding as at December 31, 2016 or December 31, 2015. The call option premiums were recognized in the (gain) loss on derivative financial instruments line item of the consolidated statements of income and comprehensive income.

Commodity Price Risk Management

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of diesel fuel costs associated with the Meadowbank mine's diesel fuel exposure as it relates to operating costs. There were derivative financial instruments outstanding as at December 31, 2016 relating to 1.0 million gallons of heating oil (December 31, 2015 – 7.0 million gallons of heating oil). The related mark-to-market adjustments prior to settlement were recognized in the (gain) loss on derivative financial instruments line item of the consolidated statements of income and comprehensive income. The Company does not apply hedge accounting to these arrangements.

Mark-to-market gains and losses related to heating oil derivative financial instruments are based on broker-dealer quotations that utilize period end forward pricing to calculate fair value.

As at December 31, 2016 and December 31, 2015, there were no metal derivative positions. The Company may from time to time utilize short-term financial instruments as part of its strategy to minimize risks and optimize returns on its by-product metal sales.

The following table sets out a summary of the amounts recognized in the (gain) loss on derivative financial instruments line item of the consolidated statements of income and comprehensive income:

	Year Ended December 31,	
	2016	**2015**
Premiums realized on written foreign exchange call options	$ (2,569)	$ (2,654)
Realized loss (gain) on warrants	543	(9,072)
Unrealized (gain) loss on warrants [(i)]	(580)	2,213
Realized loss on currency and commodity derivatives	357	29,297
Unrealized gain on currency and commodity derivatives [(i)]	(7,219)	(176)
(Gain) loss on derivative financial instruments	$ (9,468)	$ 19,608

Note:

(i) Unrealized 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 and comprehensive income and through the other line item of the consolidated statements of cash flows.

21. SEGMENTED INFORMATION

Agnico Eagle operates in a single industry, namely exploration for and production of gold. The Company's primary operations are in Canada, Mexico and Finland. The Company identifies its reportable segments as those operations whose operating results are reviewed by the Chief Operating Decision Maker ("CODM"), the Chief Executive Officer for the purpose of allocating resources and assessing performance and that represent more than 10.0% of the combined revenue from mining operations, income or loss or total assets of all operating segments. Each of the Company's significant operating mines and projects are considered to be separate operating segments. Certain operating segments that do not meet the quantitative thresholds are still disclosed where the Company believes that the information is useful. The CODM also reviews segment income (defined as revenues from mining operations less production costs, exploration and corporate development expenses and impairment losses and reversals) on a mine-by-mine basis. The following are the Company's reportable segments organized according to their relationship with the Company's three business units and reflect how the Company manages its business and how it classifies its operations for planning and measuring performance:

Northern Business:	LaRonde mine, Lapa mine, Goldex mine, Meadowbank mine including the Amaruq deposit, Canadian Malartic joint operation, Meliadine project and Kittila mine
Southern Business:	Pinos Altos mine, Creston Mascota deposit at Pinos Altos and La India mine
Exploration:	United States Exploration office, Europe Exploration office, Canada Exploration offices and Latin America Exploration office

Revenues from mining operations and production costs for the reportable segments are reported net of intercompany transactions.

Corporate and other assets and specific income and expense items are not allocated to reportable segments.

Year Ended December 31, 2016	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Gain on Impairment Reversal	Segment Income (Loss)
Northern Business:					
LaRonde mine	$ 388,180	$ (179,496)	$ –	$ –	$ 208,684
Lapa mine	92,160	(52,974)	–	–	39,186
Goldex mine	149,730	(63,310)	–	–	86,420
Meadowbank mine	384,023	(218,963)	(63,488)	37,161	138,733
Canadian Malartic joint operation	371,920	(183,635)	(4,044)	–	184,241
Meliadine project	–	–	–	83,000	83,000
Kittila mine	252,346	(141,871)	–	–	110,475
Total Northern Business	1,638,359	(840,249)	(67,532)	120,161	850,739
Southern Business:					
Pinos Altos mine	294,377	(114,557)	–	–	179,820
Creston Mascota deposit at Pinos Altos	62,967	(27,341)	–	–	35,626
La India mine	142,529	(49,745)	–	–	92,784
Total Southern Business	499,873	(191,643)	–	–	308,230
Exploration	–	–	(79,446)	–	(79,446)
Segments totals	$ 2,138,232	$ (1,031,892)	$ (146,978)	$ 120,161	$ 1,079,523
Total segments income					$ 1,079,523
Corporate and other:					
Amortization of property, plant and mine development					(613,160)
General and administrative					(102,781)
Finance costs					(74,641)
Gain on derivative financial instruments					9,468
Gain on sale of available-for-sale securities					3,500
Environmental remediation					(4,058)
Foreign currency translation loss					(13,157)
Other expenses					(16,233)
Income before income and mining taxes					$ 268,461

Year Ended December 31, 2015	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Segment Income (Loss)
Northern Business:				
LaRonde mine	$ 318,207	$ (172,283)	$ –	$ 145,924
Lapa mine	104,785	(52,571)	–	52,214
Goldex mine	133,845	(61,278)	–	72,567
Meadowbank mine	446,898	(230,564)	(43,676)	172,658
Canadian Malartic joint operation	333,280	(171,473)	(6,093)	155,714
Kittila mine	206,357	(126,095)	–	80,262
Total Northern Business	1,543,372	(814,264)	(49,769)	679,339
Southern Business:				
Pinos Altos mine	250,909	(105,175)	–	145,734
Creston Mascota deposit at Pinos Altos	66,472	(26,278)	–	40,194
La India mine	124,679	(49,578)	–	75,101
Total Southern Business	442,060	(181,031)	–	261,029
Exploration	–	–	(60,584)	(60,584)
Segments totals	$ 1,985,432	$ (995,295)	$ (110,353)	$ 879,784
Total segments income				$ 879,784
Corporate and other:				
Amortization of property, plant and mine development				(608,609)
General and administrative				(96,973)
Impairment loss on available-for-sale securities				(12,035)
Finance costs				(75,228)
Loss on derivative financial instruments				(19,608)
Gain on sale of available-for-sale securities				24,600
Environmental remediation				(2,003)
Foreign currency translation gain				4,728
Other expenses				(12,028)
Income before income and mining taxes				$ 82,628

	Total Assets as at	
	December 31, 2016	December 31, 2015
Northern Business:		
LaRonde mine	$ 808,981	$ 834,881
Lapa mine	16,473	50,951
Goldex mine	248,766	201,257
Meadowbank mine	500,207	595,682
Canadian Malartic joint operation	1,956,285	2,012,648
Meliadine project	781,999	561,271
Kittila mine	961,392	933,362
Total Northern Business	5,274,103	5,190,052
Southern Business:		
Pinos Altos mine	667,123	585,735
Creston Mascota deposit at Pinos Altos	60,308	70,670
La India mine	428,005	501,179
Total Southern Business	1,155,436	1,157,584
Exploration	198,738	199,606
Corporate and other	479,674	135,938
Total assets	$ 7,107,951	$ 6,683,180

The following table sets out the carrying amount of goodwill by segment for the years ended December 31, 2015 and December 31, 2016:

	Meliadine Project	La India Mine	Canadian Malartic Joint Operation	Total
Cost	$ 200,064	$ 39,017	$ 657,792	$ 896,873
Accumulated impairment	(200,064)	–	–	(200,064)
Carrying amount	$ –	$ 39,017	$ 657,792	$ 696,809

The following table sets out capital expenditures by segment:

	Capital Expenditures Year Ended December 31,	
	2016	**2015**
Northern Business:		
LaRonde mine	$ 64,288	$ 67,342
Lapa mine	–	6,491
Goldex mine	78,388	48,818
Meadowbank mine	38,248	65,230
Canadian Malartic joint operation	60,434	43,368
Meliadine project	116,136	66,747
Kittila mine	75,904	56,404
Total Northern Business	433,398	354,400
Southern Business:		
Pinos Altos mine	59,572	61,829
Creston Mascota deposit at Pinos Altos	9,287	4,195
La India mine	10,507	23,379
Total Southern Business	79,366	89,403
Corporate and other	3,286	5,955
Total capital expenditures	$ 516,050	$ 449,758

The following table sets out revenues from mining operations by geographic area [(i)]:

	Year Ended December 31,	
	2016	**2015**
Canada	$ 1,386,013	$ 1,337,017
Mexico	499,873	442,058
Finland	252,346	206,357
Total revenues from mining operations	$ 2,138,232	$ 1,985,432

(i) Presented based on the location of the mine from which the product originated.

21. SEGMENTED INFORMATION (Continued)

The following table sets out non-current assets by geographic area:

	Non-current Assets as at	
	December 31, 2016	**December 31, 2015**
Canada	$ 3,970,435	$ 3,878,644
Mexico	1,010,063	1,082,524
Finland	887,032	882,345
United States	10,242	10,242
Total non-current assets	$ 5,877,772	$ 5,853,755

22. IMPAIRMENT AND IMPAIRMENT REVERSALS

Goodwill Impairment Testing

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, the Company assesses for indicators of impairment at each reporting period end and if an indicator of impairment is identified, goodwill and long-lived assets are tested for impairment at that time. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. An impairment loss is recognized for any excess of the carrying amount of the asset over its recoverable amount.

The estimated recoverable amount of the Canadian Malartic joint operation segment as at December 31, 2016 and December 31, 2015 was determined on the basis of fair value less costs to dispose of the Canadian Malartic mine as well as the exploration properties included in the joint operation. The estimated recoverable amount of the Canadian Malartic mine was calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 6.00% (2015 – 5.25%), commensurate with the estimated level of risk associated with the Canadian Malartic mine. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,250 per ounce (in real terms) (2015 – $1,150 to $1,250 per ounce), foreign exchange rates of US$0.75:C$1.00 to US$0.80:C$1.00 (2015 – US$0.75:C$1.00 to US$0.80:C$1.00), an inflation rate of 2.0% (2015 – 2.0%), and capital, operating and reclamation costs based on applicable life-of-mine plans. Exploration properties within the joint operation were valued by reference to comparable recent transactions. The Canadian Malartic joint operation segment estimated recoverable amount exceeded its carrying amount at December 31, 2016 and December 31, 2015. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

Impairment Reversals

The Company assesses for indicators of impairment reversal on long-lived assets other than goodwill that have previously been impaired at each reporting period end. If an indicator of impairment reversal is identified, the recoverable amount of the asset is calculated in order to determine if any impairment reversal is required. An impairment loss recognized in a prior period can only be reversed if there are subsequent changes in the estimates or significant assumptions that were used to determine the recoverable amount since the impairment loss was recognized. A gain on impairment reversal is recognized for any excess of the recoverable amount of the asset over its carrying amount. The amount of the reversal is limited to the difference between the current carrying amount and the amount which would have been the carrying amount had the earlier impairment not been recognized and amortization of that carrying amount had continued.

In 2016, the Company completed an internal technical study on the Amaruq satellite deposit at the Meadowbank mine. Board approval for the development of the project was received on February 15, 2017. The favourable project economics and the expected potential for extensions to the Company's current mine plan in relation to the Amaruq satellite deposit at the Meadowbank mine is an impairment reversal indicator for the Meadowbank mine CGU. The updated mine plan represents an observable indication that the value of the CGU has increased significantly and is a favourable change to the extent and manner in which the asset is expected to be used. There is significant judgement involved in the determination of whether a previously recognized impairment loss should be reversed.

The estimated recoverable amount of the Meadowbank mine CGU as at December 31, 2016 was determined on the basis of fair value less costs to dispose of the mine. The estimated recoverable amount of the Meadowbank mine CGU was calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 7.25% (2015 – 3.75%), commensurate with the estimated level of risk associated with the Meadowbank mine CGU. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,250 per ounce (in real terms), foreign exchange rates of US$0.75:C$1.00 to US$0.80:C$1.00, an inflation rate of 2.0%, and capital, operating and reclamation costs based on applicable life-of-mine plans. The estimated recoverable amount of the Meadowbank mine CGU exceeded its carrying amount at December 31, 2016. The Meadowbank mine CGU's maximum impairment reversal is limited to the difference between the current carrying amount and the previous carrying amount less amortization that would have been recognized had the assets not been previously impaired. Certain assets that are not expected to be utilized in conjunction with the Amaruq satellite deposit had recoverable amounts less than their current carrying amounts and therefore no impairment reversal was applied. The Company determined that the Amaruq satellite deposit will utilize some of the existing infrastructure at the Meadowbank mine, primarily the mill, camp, road and airstrip, to generate cashflows at the Amaruq satellite deposit and these assets were written up to the maximum of the previous carrying amount that would have been determined had no impairment loss been recognized for the assets in prior years. A gain on impairment reversal of $37.2 million ($27.6 million, net of tax) was recognized in the gain on impairment reversal line item in the consolidated statements of income and comprehensive income to increase the carrying amount of related plant and equipment. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

In 2016, the Company completed internal studies to optimize the previous Meliadine mine plan that had been outlined in an updated NI 43-101 technical report dated February 11, 2015. These internal studies evaluated various opportunities to improve the project economics and the after-tax internal rate of return. Board approval for development of the project was received on February 15, 2017. The favourable project economics and the expected potential for extensions to the Company's current mine plan is an impairment reversal indicator for the Meliadine project CGU. The updated mine plan represents an observable indication that the value of the CGU has increased significantly and is a favourable change to the extent and manner in which the asset is expected to be used. There is significant judgment involved in the determination of whether a previously recognized impairment loss should be reversed.

The estimated recoverable amount of the Meliadine project CGU as at December 31, 2016 was determined on the basis of fair value less costs to dispose of the mine. The estimated recoverable amount of the Meliadine project CGU was calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 9.00% (2015 – 7.50%), commensurate with the estimated level of risk associated with the Meliadine project CGU. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,250 per ounce (in real terms), foreign exchange rates of US$0.75:C$1.00 to US$0.80:C$1.00, an inflation rate of 2.0% and capital, operating and reclamation costs based on applicable life-of-mine plans. As the Meliadine project CGU's estimated recoverable amount exceeded the previous carrying amount less amortization that would have been recognized had the assets not been impaired, a gain on impairment reversal of $83.0 million ($53.6 million, net of tax) was recognized in the gain on impairment reversal line item in the consolidated statements of income and comprehensive income to increase the carrying amount of the related

mining property. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

Key Assumptions

Discount rates were based on each asset group's weighted average cost of capital, of which the two main components are the cost of equity and the after-tax cost of debt. Cost of equity was calculated based on the capital asset pricing model, incorporating the risk-free rate of return based on 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. Gold price estimates were determined using forecasts of future prices prepared by industry analysts, which were available as at or close to the valuation date. Foreign exchange estimates are based on a combination of currency forward curves and estimates that reflect the outlooks of major global financial institutions.

23. INCOME AND MINING TAXES

Income and mining taxes expense is made up of the following components:

	Year Ended December 31,	
	2016	**2015**
Current income and mining taxes	$ 102,028	$ 51,495
Deferred income and mining taxes:		
Origination and reversal of temporary differences	7,609	6,550
Total income and mining taxes expense	$ 109,637	$ 58,045

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

	Year Ended December 31,	
	2016	**2015**
Combined federal and composite provincial tax rates	26.0%	26.0%
Expected income tax expense at statutory income tax rate	$ 69,666	$ 21,442
Increase (decrease) in income and mining taxes resulting from:		
Mining taxes	33,949	19,042
Tax law changes	(1,557)	4,357
Impact of foreign tax rates	(9,370)	(8,499)
Permanent differences	2,387	1,359
Impact of foreign exchange on deferred income tax balances	14,562	20,344
Total income and mining taxes expense	$ 109,637	$ 58,045

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

	As at December 31, 2016	**As at December 31, 2015**
Mining properties	$ 1,046,218	$ 1,039,105
Net operating and capital loss carry forwards	(80,227)	(86,126)
Mining taxes	(76,344)	(75,410)
Reclamation provisions and other liabilities	(70,085)	(75,455)
Total deferred income and mining tax liabilities	$ 819,562	$ 802,114

	Year Ended December 31,	
	2016	2015
Deferred income and mining tax liabilities – beginning of year	$ 802,114	$ 797,192
Income and mining tax impact recognized in net income	7,888	6,025
Income tax impact recognized in other comprehensive income (loss)	4,458	(1,103)
Reduction of flow-through share liability	5,102	–
Deferred income and mining tax liabilities – end of year	$ 819,562	$ 802,114

The Company operates in different jurisdictions and, accordingly, it is subject to income and other taxes under the various tax regimes in the countries in which it operates. The tax rules and regulations in many countries are highly complex and subject to interpretation. The Company may be subject in the future to a review of its historic income and other tax filings and, in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain tax rules and regulations to the Company's business conducted within the country involved.

The deductible temporary differences and unused tax losses in respect of which a deferred tax asset has not been recognized in the consolidated balance sheets are as follows:

	As at December 31, 2016	As at December 31, 2015
Net capital loss carry forwards	$ 34,298	$ 90,647
Other deductible temporary differences	202,614	213,879
Unrecognized deductible temporary differences and unused tax losses	$ 236,912	$ 304,526

The Company also has unused tax credits of $12.9 million as at December 31, 2016 (December 31, 2015 – $9.9 million) for which a deferred tax asset has not been recognized.

Capital loss carry forwards and other deductible temporary differences have no expiry date while the unused tax credits expire in 2020.

The Company has $410.5 million (2015 – $412.8 million) of taxable temporary differences associated with its investments in subsidiaries for which deferred income tax has not been recognized, as the Company is able to control the timing of the reversal of the taxable temporary differences and it is probable that they will not reverse in the foreseeable future.

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

24. EMPLOYEE BENEFITS AND COMPENSATION OF KEY MANAGEMENT PERSONNEL

During the year ended December 31, 2016, employee benefits expense was $479.1 million (2015 – $463.0 million). There were no related party transactions in 2016 or 2015 other than compensation of key management personnel. Key management personnel include the members of the Board and the senior leadership team.

	Year Ended December 31,	
	2016	2015
Salaries, short-term incentives and other benefits	$ 16,620	$ 13,620
Post-employment benefits	1,489	1,452
Share-based payments	13,591	13,919
Total	$ 31,700	$ 28,991

25. 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, 2016, the total amount of these guarantees was $251.6 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 the Kittila mine's operations commenced, the Company has been required to pay 2.0% on net smelter returns, defined as revenue less processing costs. The royalty is paid on an annual basis in the following year.
- The Company is committed to pay 2.0% net smelter return on the Barsele property in Sweden. The net smelter return is defined as gross proceeds less refining costs. Payment should be done quarterly one month in arrears. The Company has a buyout option to purchase the right to be paid the royalty, for an aggregate consideration of US$5 million.
- The Partnership is committed to pay a royalty on production from certain properties in Quebec, Canada. The type of royalty agreements include, but are not limited to, net smelter return royalties, with percentages ranging from 1.5% to 5.0%.
- The Company is committed to pay a royalty on production from certain properties in Quebec, Canada. 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 Mexico. The type of royalty agreements include, but are not limited to, net smelter return royalties, with percentages ranging from 0.5% 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, 2016, of which $29.4 million related to capital expenditures:

		Purchase Commitments
2017	$	43,289
2018		8,562
2019		6,520
2020		5,035
2021		3,854
Thereafter		16,971
Total	$	84,231

26. ONGOING LITIGATION

On August 2, 2016, the Partnership was served with a class action lawsuit with respect to allegations involving the Canadian Malartic mine. The complaint is in respect of "neighbourhood annoyances" arising from dust, noise, vibrations and blasts at the mine. The plaintiffs are seeking damages in an unspecified amount as well as punitive damages in the amount of $20.0 million. Proceedings for the certification of the class are scheduled for April 11 and 12, 2017. The Company and the Partnership will take all necessary steps to defend themselves from this lawsuit.

On August 15, 2016, the Partnership received notice of an application for injunction relating to the Canadian Malartic mine, which has been filed under the *Environment Quality Act* (Quebec). A hearing related to an interlocutary injunction was completed on March 17, 2017 and a decision of the Superior Court of Quebec is pending. The request for injunction aims to restrict the Canadian Malartic mine's mining operations to sound levels and mining volumes below the limits to which it is subject. Agnico Eagle and the Partnership have reviewed the injunction request, consider the request without merit and will take all reasonable steps to defend against this injunction. While at this time the potential impacts cannot be definitively determined, the Company expects that if the injunction were to be granted there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in production.

27. SUBSEQUENT EVENTS

Dividends Declared

On February 15, 2017, Agnico Eagle announced that the Board approved the payment of a quarterly cash dividend of $0.10 per common share (a total value of approximately $22.5 million), paid on March 15, 2017 to holders of record of the common shares of the Company on March 1, 2017.

Purchase of Otis Gold Corporation Common Shares

On February 28, 2017, the Company completed the purchase of 14,420,000 common shares of Otis Gold Corporation ("Otis") pursuant to a private placement. The Company paid C$0.35 per Otis common share, for total consideration of approximately C$5.0 million. Upon the closing of the transaction, Agnico Eagle held approximately 9.95% of the issued and outstanding common shares of Otis on a non-diluted basis.

Purchase of GoldQuest Mining Corporation Common Shares

On March 8, 2017, the Company completed the purchase of 38,100,000 common shares of GoldQuest Mining Corporation ("GoldQuest") pursuant to a private placement. The Company paid C$0.60 per GoldQuest common share, for total consideration of approximately C$22.9 million. Upon the closing of the transaction, Agnico Eagle held approximately 15.0% of the issued and outstanding common shares of GoldQuest on a non-diluted basis.

QuickLinks

Exhibit 99.2

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING
MANAGEMENT CERTIFICATION
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
AGNICO EAGLE MINES LIMITED CONSOLIDATED BALANCE SHEETS (thousands of United States dollars, except share amounts)
AGNICO EAGLE MINES LIMITED CONSOLIDATED STATEMENTS OF EQUITY (thousands of United States dollars, except share and per share amounts)
AGNICO EAGLE MINES LIMITED CONSOLIDATED STATEMENTS OF CASH FLOWS (thousands of United States dollars)

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Exhibit 99.3

Management's Discussion and Analysis

For the year ended December 31, 2016

(Prepared in accordance with International Financial Reporting Standards)



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Management's Discussion and Analysis ("MD&A") dated March 27, 2017 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, 2016 that were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The annual consolidated financial statements and this MD&A are presented in United States dollars ("US dollars", "$" or "US$") and all units of measurement are expressed using the metric system, unless otherwise specified. Certain information in this MD&A is presented in Canadian dollars ("C$"), Mexican pesos or European Union euros ("Euros" or "€"). Additional information relating to the Company, including the Company's Annual Information Form for the year ended December 31, 2016 (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 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 MD&A include, but are not limited to, the following:

- the Company's outlook for 2017 and future periods;
- statements regarding future earnings, and the sensitivity of earnings to gold and other metal prices;
- anticipated levels or trends for prices of gold and by-product metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;
- estimates of future mineral production and sales;
- estimates of future costs, including mining costs, total cash costs per ounce, all-in sustaining costs per ounce, minesite costs per tonne and other costs;
- estimates of future capital expenditures, exploration expenditures and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;
- estimates of mineral reserves and mineral resources and their sensitivities to gold prices and other factors, ore grades and mineral recoveries and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events at the Company's minesites, mine development projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulations, including with respect to climate change, and estimates of the impact on the Company; 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 the assumptions set out elsewhere in this MD&A 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, mine development projects and exploration projects proceed on a basis consistent with expectations, and that Agnico Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, Euro, Mexican peso and the US dollar will be approximately consistent with current levels or as set out in this MD&A; that prices for gold, silver, zinc and copper will be consistent with Agnico Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico Eagle's expectations; that production meets expectations; that Agnico Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recoveries are accurate; that there are no material delays in the timing for completion of development projects; and that there are no material variations in the current tax and regulatory environments that affect Agnico Eagle.

The forward-looking statements in this MD&A reflect the Company's views as at the date of this MD&A and involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or

implied by such forward-looking statements. Such factors include, 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 MD&A contains information regarding estimated total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne in respect of the Company or at certain of the Company's mines and mine development projects. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. Investors are cautioned that this information may not be suitable for other purposes.

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

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

The mineral reserve and mineral resource estimates contained in this MD&A have been prepared in accordance with the 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 and mineral resource data 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 by-product 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 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 CERTAIN MEASURES OF PERFORMANCE

This MD&A discloses certain measures, including "total cash costs per ounce", "all-in sustaining costs per ounce", "adjusted net income" and "minesite costs per tonne" that are not recognized measures under IFRS. These measures may not be comparable to similar measures reported by other gold producers. For a reconciliation of these measures to the most directly comparable financial information presented in the consolidated financial statements prepared in accordance with IFRS, see *Non-GAAP Financial Performance Measures* in this MD&A.

The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (before deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold

produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices.

All-in sustaining costs per ounce is used to show the full cost of gold production from current operations. The Company calculates all-in sustaining costs per ounce of gold produced on a by-product basis as the aggregate of total cash costs per ounce on a by-product basis, sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options) and reclamation expenses, and then dividing by the number of ounces of gold produced. The all-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as the all-in sustaining costs per ounce of gold produced on a by-product basis, except that the total cash costs per ounce on a co-product basis is used, meaning no adjustment is made for by-product metal revenues. The Company's methodology for calculating all-in sustaining costs per ounce may differ from the methodology used by other producers that disclose all-in sustaining costs per ounce. The Company may change the methodology it uses to calculate all-in sustaining costs per ounce in the future, including in response to the adoption of formal industry guidance regarding this measure by the World Gold Council.

Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs per ounce of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS.

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

Executive Summary

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957. The Company's mines are located in Canada, Mexico and Finland, with exploration and development activities in Canada, Europe, Latin America and the United States. The Company and its shareholders have full exposure to gold prices due to its long-standing policy of no forward gold sales. Agnico Eagle has declared a cash dividend every year since 1983.

Agnico Eagle earns a significant proportion of its revenue and cash flow from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of by-product metals, primarily silver, zinc and copper. In 2016, Agnico Eagle recorded production costs per ounce of gold of $621 and total cash costs per ounce of gold produced of $573 on a by-product basis and $643 on a co-product basis on payable gold production of 1,662,888 ounces. The average realized price of gold increased by 8.0% from $1,156 per ounce in 2015 to $1,249 per ounce in 2016.

Agnico Eagle's operating mines and development projects are located in what the Company believes to be politically stable countries that are supportive of the mining industry. The political stability of the regions in which Agnico Eagle operates helps to provide confidence in its current and future prospects and profitability. This is important for Agnico Eagle as it believes that many of its new mines and recently acquired mining projects have long-term mining potential.

Highlights

- Continued strong operational performance with payable gold production of 1,662,888 ounces and production costs per ounce of gold of $621 during 2016.
- Total cash costs per ounce of gold produced of $573 on a by-product basis and $643 on a co-product basis in 2016.
- All-in sustaining costs per ounce of gold produced of $824 on a by-product basis and $894 on a co-product basis in 2016.
- Proven and probable gold reserves totaled 19.9 million ounces at December 31, 2016, a 5.0% increase compared with 19.1 million ounces at December 31, 2015.
- As at December 31, 2016, Agnico Eagle had strong liquidity with $548.4 million in cash and cash equivalents and short term investments along with approximately $1.2 billion in undrawn credit lines.
- The Company's operations are located in mining-friendly regions that the Company believes have low political risk and long-term mining potential.
- The Company maintains a solid financial position and forecasts being fully funded for its currently planned development of the Amaruq deposit and the Meliadine mine project, investment in existing mines and key exploration projects.
- The Company has strong senior management continuity as its chief executive officer has over 30 years of service with the Company.
- In February 2017, the Company declared a quarterly cash dividend of $0.10 per common share. Agnico Eagle has now declared a cash dividend every year since 1983.

Strategy

Agnico Eagle's ability to consistently execute its business strategy has provided a solid foundation for growth.

The Company's goals are to:

- Deliver high quality growth while meeting expectations and maintaining high *performance* standards in health, safety, environment and community development;
- Build a strong *pipeline* of projects to drive future production; and
- Employ the best *people* and motivate them to reach their potential.

These three pillars – *performance, pipeline and people* – form the basis of Agnico Eagle's success and competitive advantage. By delivering on them, the Company strives to continue to build its production base and generate increased value for shareholders, while making meaningful contributions to its employees and communities.

Portfolio Overview

Northern Business

Canada – LaRonde Mine

The 100% owned LaRonde mine in northwestern Quebec, the Company's first mine, achieved commercial production in 1988. The LaRonde mine extension, the portion of the mine below the 245 level, achieved commercial production in December 2011 and is expected to extend the life of the mine through 2024.

In 2003, the Company acquired the Bousquet gold property, which adjoins the LaRonde mining complex to the east and hosts the Bousquet Zone 5, which the Company has renamed LaRonde Zone 5. LaRonde Zone 5 has been approved for development subject to permitting approval, which is expected to be received by mid-2018, with mining expected to commence shortly thereafter.

In 2016, the first mineral reserves were declared in the eastern portion of LaRonde 3, the portion of the LaRonde mine below the currently planned 3.1 kilometre depth at LaRonde, and additional inferred mineral resources were declared in the western portion of LaRonde 3. Studies are ongoing to evaluate the potential to mine the LaRonde 3 portion of the deposit.

The LaRonde mine's proven and probable mineral reserves were approximately 3.5 million ounces at December 31, 2016.

Canada – Lapa Mine

Commercial production was achieved at the 100% owned Lapa mine in northwestern Quebec in May 2009. Based on the current life of mine plan, Lapa is expected to operate until the end of the second quarter of 2017, with production coming from the Zone Deep East and Zone 7 Deep areas. The Company is evaluating opportunities to continue production into the second half of 2017.

The Lapa mine's proven and probable mineral reserves were approximately 38,000 ounces at December 31, 2016.

Canada – Goldex Mine

The 100% owned Goldex mine in northwestern Quebec achieved commercial production from the M and E satellite zones in October 2013.

The Company acquired the Akasaba West deposit in January 2014. Located less than 30 kilometres from Goldex, the Company believes that the Akasaba West deposit could create flexibility and synergies for the Company's operations in the Abitibi region by utilizing extra milling capacity at both Goldex and LaRonde, while reducing overall costs. The permitting process has commenced at Akasaba and permitting activities are expected to continue until 2018. The Company expects to begin sourcing open pit ore from Akasaba West in 2019. The Akasaba West deposit's proven and probable mineral reserves were approximately 0.1 million ounces at December 31, 2016.

In July 2015, the Company announced the approval of the Deep 1 project at Goldex, which is expected to begin commissioning in early 2018. Studies are ongoing to evaluate the potential to increase throughput from the Deep 1 Zone and the potential to mine a portion of the Deep 2 Zone, both of which could enhance production levels or extend the current mine life at Goldex and reduce operating costs.

The Goldex mine's proven and probable mineral reserves were approximately 0.9 million ounces at December 31, 2016.

Canada – Canadian Malartic Mine

Agnico Eagle and Yamana Gold Inc. ("Yamana") jointly acquired 100.0% of Osisko Mining Corporation ("Osisko") on June 16, 2014 pursuant to a court-approved plan of arrangement under the *Canada Business Corporations Act* (the "Osisko Arrangement"). As a result of the Osisko Arrangement, Agnico Eagle and Yamana each indirectly own 50.0% of Osisko and Canadian Malartic GP, which now holds the Canadian Malartic mine in northwestern Quebec. Agnico Eagle and Yamana are jointly exploring, through their indirect ownership of Canadian Malartic Corporation (the successor to Osisko), the Kirkland Lake assets, the Hammond Reef project and the Pandora and Wood-Pandora properties.

The Odyssey property lies on the east side of the Canadian Malartic property, approximately 1.5 kilometres east of the current limit of the open pit. In 2016, exploration programs defined the mineralization at the Odyssey North and South zones, resulting in an estimated initial mineral resource for the Odyssey property. Permitting activities related to the Barnat extension and the re-routing of the adjacent Highway 117 are expected to continue in the first half of 2017, no date for approval has

been set. Production activities at Barnat are currently anticipated to begin in late 2018, depending on the timing of the start of construction of the Highway 117 diversion.

Agnico Eagle's attributable share of proven and probable mineral reserves at the Canadian Malartic mine were approximately 3.5 million ounces at December 31, 2016.

Canada – Meadowbank Mine

In 2007, the Company acquired Cumberland Resources Ltd., which held a 100% interest in the Meadowbank gold project in Nunavut, Canada. Commercial production was achieved by Agnico Eagle at the Meadowbank mine in March 2010.

The 100% owned Amaruq project is located approximately 50 kilometres northwest of the Meadowbank mine in Nunavut, Canada. In late 2015, the Company received approval for the construction of an all-weather exploration road linking the Amaruq project to the Meadowbank mine. In 2016, the Company completed an internal technical study on the Amaruq satellite deposit at Meadowbank. Based on this study, the Company has approved the project for development pending the receipt of the required permits, which are currently expected to be received by the second quarter of 2018. Production is currently forecast to begin in the third quarter of 2019, subject to the timing of the receipt of the required permits.

At Meadowbank, opportunities are being investigated to potentially extend production at the Vault pit through year-end 2018. The Vault pit extension is expected to partially bridge the production gap at the Meadowbank mine through to the expected commencement of development of the Amaruq project.

The Meadowbank mine's proven and probable mineral reserves were approximately 0.7 million ounces at December 31, 2016.

Canada – Meliadine Mine Project

On July 6, 2010, Agnico Eagle acquired its 100% interest in the Meliadine mine project in Nunavut, Canada through its acquisition of Comaplex Minerals Corp.

In 2016, internal studies were carried out to optimize the previous Meliadine mine plan that had been outlined in an updated NI 43-101 technical report dated February 11, 2015. These internal studies evaluated various opportunities to improve the project economics and the after-tax internal rate of return. Based on the results of these internal studies, the Company's Board of Directors approved the construction of the Meliadine mine project. The mine is expected to begin operations in the third quarter of 2019, which is approximately one year ahead of the previous schedule. Over an estimated 14-year mine life, it is anticipated that approximately 5.3 million ounces of gold will be produced at Meliadine. This represents approximately half of the currently known mineral reserve and mineral resource base for this project.

Budgeted 2017 Meliadine mine project capital expenditures of $360.0 million are focused on further underground development, conversion and underground delineation drilling, installation of underground ventilation and heating, completion of the fuel farm in Rankin Inlet, completion of the camp complex, closing in of the process and power plant buildings and construction of the second ramp portal.

The Meliadine mine project had proven and probable mineral reserves of approximately 3.4 million ounces at December 31, 2016.

Finland – Kittila Mine

The 100% owned Kittila mine in northern Finland was added to the Company's portfolio through the acquisition of Riddarhyttan Resources AB in 2005. Construction at the Kittila mine was completed in 2008 and commercial production was achieved in May 2009.

In 2017, the Company will continue to evaluate the economics of increasing throughput rates at Kittila. Increasing the mining rate could potentially be supported by the development of the Rimpi and Sisar zones. Drilling is ongoing to further evaluate the Sisar zone, where mineralization has now been outlined to a depth of 2.0 kilometres below surface

Proven and probable mineral reserves at the Kittila mine amounted to approximately 4.5 million ounces at December 31, 2016.

Southern Business

Mexico – Pinos Altos Mine

In 2006, the Company completed the acquisition of the Pinos Altos property, then an advanced stage exploration property in northern Mexico. Commercial production was achieved at the Pinos Altos mine in November 2009. A shaft sinking project was completed in June 2016 at the Pinos Altos mine. The new shaft has improved the matching of mining and mill capacity as the open pit mining operation winds down.

In 2016, drilling at Pinos Altos successfully replaced the mineral reserves that were mined. In 2016, exploration at the Cerro Colorado Zone outlined additional mineralization on the boundaries of the zone, and further drilling will be carried out in 2017 to evaluate this potential.

The Pinos Altos mine's proven and probable mineral reserves were approximately 1.4 million ounces at December 31, 2016.

Mexico – Creston Mascota Deposit at Pinos Altos

The 100% owned Creston Mascota deposit at Pinos Altos is located approximately seven kilometres northwest of the main deposit at the Pinos Altos mine in northern Mexico. Commercial production was achieved at the Creston Mascota deposit at Pinos Altos in March 2011. The Company believes that the Madrono and Cubiro zones could potentially extend the life of the Creston Mascota heap leach facility. In 2017, additional drilling is planned for the Bravo, Madrono and Cubiro zones to further delineate areas that the Company believes may have higher grade areas that could potentially provide additional feed to the Pinos Altos mill.

In the fourth quarter of 2016, work on the Phase 4 leach pad was completed with stacking of material expected to begin in the first quarter of 2017.

Proven and probable mineral reserves were approximately 0.1 million ounces at the Creston Mascota deposit at Pinos Altos at December 31, 2016.

Mexico – La India Mine

Agnico Eagle completed its acquisition of Grayd Resource Corporation ("Grayd") on January 23, 2012. Grayd owned the La India project, which is located approximately 70 kilometres northwest of the Pinos Altos mine in northern Mexico. In September 2012, development and construction of the La India mine was approved by the Board and commercial production was achieved in February 2014.

In 2016, additional drilling was carried out at La India with a focus on extending mineralization in the Main Zone and the La India Zone and conversion of sulfide mineralization into mineral reserves and mineral resources. Additionally, step out drilling in 2016 at the nearby El Realito project also yielded encouraging results. Additional exploration work is planned at El Realito and the Cerro de Oro areas in 2017. Geological work is continuing at Los Tubos to also define drill targets during 2017. With the increased mineral reserves and mineral resources, and the potential for future additions at other satellite zones, studies are underway to look at potential expansion options at the La India mine.

The La India mine's proven and probable mineral reserves were approximately 1.0 million ounces at December 31, 2016.

Mexico – El Barqueno Project

On November 28, 2014, the Company acquired Cayden Resources Inc. ("Cayden") pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia). Cayden holds a 100.0% interest in the Morelos Sur property as well as an option to acquire a 100% interest in the El Barqueno property, both located in Mexico.

Agnico Eagle believes that El Barqueno ultimately has the potential to be developed into a series of open pits utilizing heap leach and/or mill processing, similar to the Pinos Altos mine. Conceptual design studies and additional metallurgical testing are ongoing at El Barqueno. Exploration expenditures in 2017 are expected to total approximately $16.8 million.

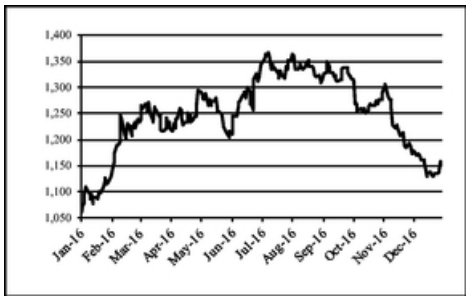
Key Performance Drivers

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, Mexican peso/US dollar and Euro/US dollar exchange rates.

Spot Price of Gold, Silver, Zinc and Copper

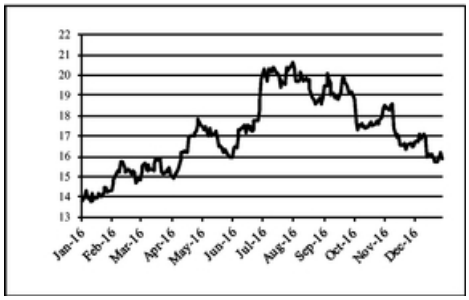
GOLD ($ per ounce)



	2016	2015	% Change
High price	$1,375	$1,308	5.1%
Low price	$1,061	$1,046	1.4%
Average price	$1,248	$1,160	7.6%
Average price realized	$1,249	$1,156	8.0%

In 2016, the average market price per ounce of gold was 7.6% higher than in 2015. The Company's average realized price per ounce of gold in 2016 was 8.0% higher than in 2015.

SILVER ($ per ounce)

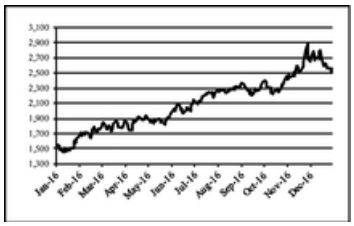


	2016	2015	% Change
High price	$21.14	$18.23	16.0%
Low price	$13.75	$13.71	0.3%
Average price	$17.11	$15.70	9.0%
Average price realized	$17.28	$15.63	10.6%

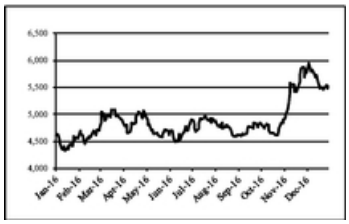
Net by-product (primarily silver, zinc and copper) revenue is treated as a reduction of production costs in calculating total cash costs per ounce of gold produced on a by-product basis and all-in sustaining costs per ounce of gold produced on a

by-product basis. In 2016, the average market price per ounce of silver was 9.0% higher than in 2015. The Company's average realized price per ounce of silver in 2016 was 10.6% higher than in 2015.

ZINC ($ per tonne)



COPPER ($ per tonne)



Agnico Eagle's average realized sales price year-over-year for zinc increased by 9.2% and average realized sales prices for copper year-over-year decreased by 3.9% over the same period. Significant quantities of by-product metals are produced by the LaRonde mine (silver, zinc and copper) and the Pinos Altos mine (silver).

The Company has never sold gold forward, allowing the Company to take full advantage of rising gold prices. Management believes that low cost production is the best protection against a decrease in gold prices.

Production Volumes and Costs

Changes in production volumes have a direct impact on the Company's financial results. Total payable gold production was 1,662,888 ounces in 2016, a decrease of 0.5% compared with 1,671,340 ounces in 2015, primarily due to decreased amount of ore processed and lower gold grade and mill recovery rates at the Meadowbank mine in 2016 compared to 2015 and decreased gold grade at the Lapa and La India mines and the Creston Mascota deposit at Pinos Altos. Partially offsetting the overall decrease in gold production were increased tonnes milled at the Kittila and Canadian Malartic mines and higher gold grade and mill recovery rates at the LaRonde mine. Agnico Eagle's average realized gold price increased by $93, or 8.0%, to $1,249 per ounce in 2016 from $1,156 per ounce in 2015.

Production costs are discussed in detail in the *Results of Operations* section below.

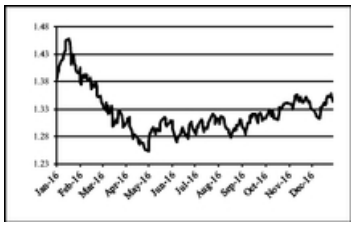
Foreign Exchange Rates (Ratio to US$)

The exchange rate of the Canadian dollar, Mexican peso and Euro relative to the US dollar is an important financial driver for the Company for the following reasons:

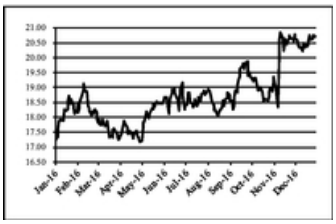
- All revenues are earned in US dollars;
- A significant portion of operating costs at the LaRonde, Lapa, Goldex, Meadowbank and Canadian Malartic mines are, and mine construction costs at the Amaruq deposit and the Meliadine mine project will be, incurred in Canadian dollars;
- A significant portion of operating costs at the Pinos Altos mine, the Creston Mascota deposit at Pinos Altos and the La India mine are incurred in Mexican pesos; and
- A significant portion of operating costs at the Kittila mine are incurred in Euros.

The Company mitigates part of its foreign currency exposure by using currency hedging strategies.

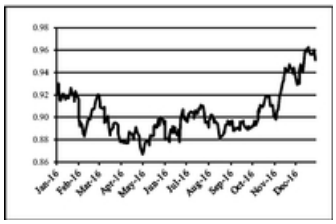
CANADIAN DOLLAR



MEXICAN PESO



EURO



On average, the Canadian dollar, Mexican peso and Euro all weakened relative to the US dollar in 2016 compared with 2015, decreasing costs denominated in local currencies when translated into US dollars for reporting purposes.

Balance Sheet Review

Total assets at December 31, 2016 of $7,108.0 million increased compared to December 31, 2015 total assets of $6,683.2 million. Of the $424.8 million increase in total assets between periods, $415.8 million related to an increase in cash and cash equivalents between periods. The December 31, 2014 balance of $6,809.3 million was comparable to the total assets balance as at December 31, 2015.

Cash and cash equivalents were $540.0 million at December 31, 2016, an increase of $415.8 million compared with December 31, 2015 primarily due to cash provided by operating activities of $778.6 million, the issuance of the 2016 Notes (as defined below) in an aggregate principal amount of $350.0 million on June 30, 2016 and $192.1 million of proceeds from the exercise of stock options, partially offset by $516.1 million in capital expenditures, a net $280.3 million repayment of long-term debt and $71.4 million in dividends paid during 2016.

Current inventory balances decreased by $18.3 million from $462.0 million at December 31, 2015 to $443.7 million at December 31, 2016 primarily due to planned parts inventory drawdowns at the Meadowbank mine. Non-current ore in stockpiles and on leach pads at December 31, 2016 of $62.8 million were comparable with December 31, 2015 non-current ore in stockpiles and on leach pads of $61.2 million.

Available-for-sale securities increased from $31.9 million at December 31, 2015 to $92.3 million at December 31, 2016 primarily due to $29.6 million in new investments in 2016 and $33.2 million in unrealized fair value gains, partially offset by $2.4 million in dispositions during 2016.

Property, plant and mine development increased by $17.1 million to $5,106.0 million at December 31, 2016 compared with December 31, 2015 primarily due to a $516.1 million increase related to capital expenditures during 2016 and a $120.2 million increase due to impairment reversals at the Meadowbank mine and Meliadine mine project. This increase was partially offset by amortization expense of $613.2 million during 2016.

Total liabilities increased to $2,615.5 million at December 31, 2016 from $2,542.2 million at December 31, 2015 primarily due to a $70.0 million net increase in long-term debt and a $21.0 million increase in income taxes payable. Of the total $198.6 million decrease in total liabilities between the December 31, 2014 balance of $2,740.8 million and the December 31, 2015 balance of $2,542.2 million, $235.0 million related to a net repayment under the Company's $1.2 billion unsecured revolving credit facility (the "Credit Facility"), which was partially offset by increases in accounts payable, accrued liabilities and reclamation provisions during 2015.

Accounts payable and accrued liabilities decreased by $15.2 million between December 31, 2015 and December 31, 2016 primarily due to a $12.3 million securities class action lawsuit settlement agreement that was paid by the Company's insurers.

Income taxes payable increased by $21.0 million between December 31, 2015 and December 31, 2016 as the current tax expense exceeded payments to tax authorities.

Long-term debt increased by $70.0 million between December 31, 2015 and December 31, 2016 primarily due to the issuance of the 2016 Notes, partially offset by $265.0 million in net Credit Facility repayments.

Agnico Eagle's reclamation provision decreased by $8.0 million between December 31, 2015 and December 31, 2016 primarily due to the re-measurement of the Company's reclamation provisions by applying updated expected cash flows and assumptions as at December 31, 2016.

Deferred income and mining tax liabilities increased by $17.4 million between December 31, 2015 and December 31, 2016 primarily due to the gain on impairment reversal of $37.2 million recorded at the Meadowbank mine and $83.0 million at the Meliadine mine project, with a total impact of $39.0 million on deferred income and mining taxes.

Fair Value of Derivative Financial Instruments

The Company occasionally enters into contracts to limit the risk associated with decreased by-product metal prices, increased foreign currency costs (including capital expenditures) and input costs. The contracts act as economic hedges of underlying exposures and are not held for speculative purposes. Agnico Eagle does not use complex derivative contracts to hedge exposures. The fair value of the Company's derivative financial instruments is outlined in the financial instruments note to the Company's annual consolidated financial statements.

Results of Operations

Agnico Eagle reported net income of $158.8 million, or $0.71 per share, in 2016 compared with net income of $24.6 million, or $0.11 per share, in 2015. In 2014, the Company reported net income of $83.0 million, or $0.43 per share. Agnico Eagle reported basic adjusted net income of $109.5 million, or $0.49 per share, in 2016 compared with basic adjusted net income of $73.5 million, or $0.34 per share, in 2015. In 2014, the Company reported basic adjusted net income of $124.2 million, or $0.64 per share. In 2016, operating margin (revenues from mining operations less production costs) increased to $1,106.3 million from $990.1 million in 2015. In 2014, operating margin was $892.2 million.

Revenues from Mining Operations

Revenues from mining operations increased by $152.8 million, or 7.7%, to $2,138.2 million in 2016 from $1,985.4 million in 2015 primarily due to higher sales prices realized on gold and silver, as well as increased silver production, partially offset by lower gold production and sales. Revenues from mining operations were $1,896.8 million in 2014.

Revenues from the Northern Business increased by $95.0 million, or 6.2%, to $1,638.4 million in 2016 from $1,543.4 million in 2015, primarily due to higher sales prices realized on gold and silver, partially offset by lower gold production and sales. Revenues from the Southern Business increased by $57.8 million, or 13.1%, to $499.9 million in 2016 from $442.1 million in 2015, primarily due to the higher realized sales prices noted above. Revenues from the Northern Business were $1,491.9 million, and revenues from the Southern Business were $404.9 million in 2014.

Sales of precious metals (gold and silver) accounted for 99.9% of revenues from mining operations in 2016, up from 99.7% in 2015 and 98.6% in 2014. The increase in the percentage of revenues from precious metals compared with 2015 is primarily due to higher sales prices realized on gold and silver, as well as increased silver production, partially offset by lower gold production and sales. 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:

	2016	2015	2014
	(thousands of United States dollars)		
Revenues from mining operations:			
Gold	$ 2,049,871	$ 1,911,500	$ 1,807,927
Silver	85,096	66,991	62,466
Zinc	1,413	505	9,901
Copper	1,852	6,436	16,479
Lead[(i)]	–	–	(7)
Total revenues from mining operations	$ 2,138,232	$ 1,985,432	$ 1,896,766
Payable production[(ii)]:			
Gold (ounces)	1,662,888	1,671,340	1,429,288
Silver (thousands of ounces)	4,759	4,258	3,564
Zinc (tonnes)	4,687	3,501	10,515
Copper (tonnes)	4,416	4,941	4,997
Payable metal sold:			
Gold (ounces)	1,630,865	1,645,081	1,425,338
Silver (thousands of ounces)	4,761	4,184	3,633
Zinc (tonnes)	3,554	3,596	10,535
Copper (tonnes)	4,522	4,947	5,003

Notes:

(i) Lead concentrate revenues of nil in 2016 (2015 – nil; 2014 – $0.1 million) are netted against direct fees of nil (2015 – nil; 2014 – $0.1 million). Other metal revenues derived from lead concentrate are included in their respective metal categories in the above table.

(ii) Payable production (a non-GAAP, non-financial performance measure) is the quantity of mineral produced during a period contained in products that are or will be sold by the Company, whether such products are sold during the period or held as inventories at the end of the period.

Revenues from gold increased by $138.4 million or 7.2% in 2016 compared with 2015 primarily due to an 8.0% increase in the Company's average realized gold price per ounce to $1,249 in 2016 compared to $1,156 in 2015. This increase was partially offset by a 0.8% decrease of gold sales to 1,630,865 ounces in 2016 compared to 1,645,081 ounces in 2015 primarily due to lower production and sales at the Meadowbank and Lapa mines.

Revenues from silver increased by $18.1 million or 27.0% in 2016 compared with 2015 primarily due to a 13.8% increase in silver sales. Agnico Eagle's average realized silver price per ounce increased by 10.6% to $17.28 in 2016 from $15.63 in 2015. Revenues from zinc increased by $0.9 million or 179.8% to $1.4 million in 2016 compared with $0.5 million in 2015 primarily due to a 9.2% increase in the realized zinc price between periods, as well as lower direct costs associated with zinc sales. Revenues from copper decreased by $4.6 million or 71.2% in 2016 compared with 2015 primarily due to a 3.9% decline in the realized copper price and an 8.6% decrease in tonnes sold.

Production Costs

Production costs increased to $1,031.9 million in 2016 compared with $995.3 million in 2015 primarily due to higher production expenses at the Canadian Malartic, Kittila and Pinos Altos mines. Partially offsetting the overall increase was the impact of a weaker Canadian dollar and Mexican peso relative to the US dollar. Production costs were $1,004.6 million in 2014.

The table below sets out production costs by mine:

	2016	2015	2014
	(thousands of United States dollars)		
LaRonde mine	$ 179,496	$ 172,283	$ 188,736
Lapa mine	52,974	52,571	61,056
Goldex mine	63,310	61,278	64,836
Meadowbank mine	218,963	230,564	270,824
Canadian Malartic mine (attributable 50.0%)	183,635	171,473	113,916
Kittila mine	141,871	126,095	116,893
Pinos Altos mine	114,557	105,175	123,342
Creston Mascota deposit at Pinos Altos	27,341	26,278	28,007
La India mine	49,745	49,578	36,949
Total production costs	$ 1,031,892	$ 995,295	$ 1,004,559

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 IFRS. For a reconciliation of these measures to production costs and a discussion of their use by the Company, see *Non-GAAP Financial Performance Measures* in this MD&A.

Production costs at the LaRonde mine were $179.5 million in 2016, a 4.2% increase compared with 2015 production costs of $172.3 million primarily due to increased underground and mill maintenance costs and a decrease in inventory. During 2016, the LaRonde mine processed an average of 6,121 tonnes of ore per day compared with 6,141 tonnes of ore per day during 2015. Production costs per tonne increased to C$106 in 2016 compared with C$98 in 2015 due to the same factors as noted above. Minesite costs per tonne increased to C$106 in 2016 compared with C$99 in 2015 due to the same factors as noted above, other than the inventory adjustment.

Production costs at the Lapa mine were $53.0 million in 2016, a 0.8% increase compared with 2015 production costs of $52.6 million. During 2016, the Lapa mine processed an average of 1,619 tonnes of ore per day compared with 1,534 tonnes of ore per day processed during 2015. The increase in throughput between periods was due to the processing of lower grade ore from new zones previously excluded from the mine plan. Production costs per tonne decreased to C$118 in 2016 compared with C$119 in 2015 due to higher throughput levels and an increase in inventory. Minesite costs per tonne increased to C$121 in 2016 compared with C$117 in 2015 primarily due to the higher costs associated with development work in new zones, other than the inventory adjustment.

Production costs at the Goldex mine were $63.3 million in 2016, a 3.3% increase compared with 2015 production costs of $61.3 million primarily due to increased throughput. During 2016, the Goldex mine processed an average of 6,954 tonnes of ore per day compared with 6,336 tonnes of ore per day processed during 2015. The increase in throughput between periods was primarily due to better underground mining and milling performance. Production costs per tonne decreased to C$33 in 2016 compared with C$34 in 2015 due to higher throughput levels and an increase in inventory. Minesite costs per tonne remained unchanged at C$33 between 2015 and 2016.

Production costs at the Meadowbank mine were $219.0 million in 2016, a 5.0% decrease compared with 2015 production costs of $230.6 million primarily due to lower throughput, a lower amount of stripping costs being capitalized and an increase in inventory. During 2016, the Meadowbank mine processed an average of 10,697 tonnes of ore per day compared with 11,049 tonnes of ore per day processed during 2015. The decrease in throughput between periods was primarily due to harder ore being processed from the Vault pit. Production costs per tonne increased to C$73 in 2016 compared with C$71 in 2015 due to the decrease in tonnage processed. Minesite costs per tonne increased to C$74 in 2016 compared with C$70 in 2015 due to the factors noted above, other than the inventory adjustment.

Attributable production costs at the Canadian Malartic mine were $183.6 million in 2016, a 7.1% increase compared with 2015 production costs of $171.5 million primarily due to increased throughput and higher contractor costs. During 2016, the Canadian Malartic mine processed an average of 26,833 tonnes of ore per day attributable to the Company compared with 26,150 tonnes of ore per day processed in 2015. The increase in throughput between periods was primarily due to improved

crusher performance. Production costs per tonne increased to C$25 in 2016 compared with C$23 in 2015 due to unplanned maintenance on the leach tank, ball mill and crusher components in the process plant and additional stripping costs. Minesite costs per tonne increased to C$25 in 2016 compared with C$23 in 2015 primarily due to the same factors noted above.

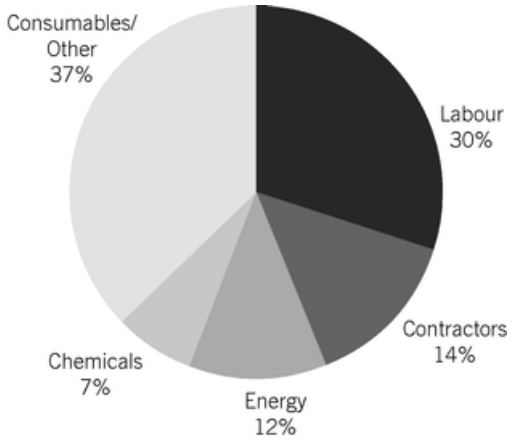
Production costs at the Kittila mine were $141.9 million in 2016, an increase of 12.5% compared with 2015 production costs of $126.1 million primarily due to increased throughput and higher contractor and mill maintenance costs. During 2016, the Kittila mine processed an average of 4,554 tonnes of ore per day, an increase of 13.5% compared with the 4,011 tonnes of ore per day processed during 2015 primarily due to additional mine development leading to improved ore access and strong mining productivity. Production costs per tonne remained the same at €77 between 2015 and 2016. Minesite costs per tonne increased slightly to €77 in 2016 compared with €76 in 2015.

Production costs at the Pinos Altos mine were $114.6 million in 2016, an increase of 8.9% compared with 2015 production costs of $105.2 million primarily due to higher consumable costs, variations in the proportion of heap leach ore to milled ore, variations in the open pit ore to underground ore, fluctuations in the waste to ore stripping ratio in the open pit mines and a decrease in inventory, partially offset by a weaker Mexican peso relative to the US dollar between periods. During 2016, the Pinos Altos mine mill processed an average of 5,415 tonnes of ore per day, a decrease of 0.9% compared with the 5,462 tonnes of ore per day processed during 2015. In 2016, approximately 278,100 tonnes of ore were stacked on the Pinos Altos mine leach pad, a decrease of 27.7% compared with the approximately 384,700 tonnes of ore stacked in 2015, primarily due to mine sequencing. Production costs per tonne increased to $51 in 2016 compared with $44 in 2015 due to lower throughput and the increased cost factors noted above. Minesite costs per tonne increased to $49 in 2016 compared with $45 in 2015 primarily due to the same factors noted above, other than the inventory adjustment.

Production costs at the Creston Mascota deposit at Pinos Altos were $27.3 million in 2016, an increase of 4.0% compared with 2015 production costs of $26.3 million primarily due to higher re-handling costs, partially offset by a weaker Mexican peso relative to the US dollar between periods. During 2016, approximately 2,119,200 tonnes of ore were stacked on the leach pad at the Creston Mascota deposit at Pinos Altos, an increase of 1.0% compared with the approximate 2,098,800 tonnes of ore stacked in 2015. Production costs per tonne remained unchanged at $13 between 2015 and 2016. Minesite costs per tonne increased slightly to $13 in 2016 compared with $12 in 2015.

Production costs at the La India mine were $49.7 million in 2016, an increase of 0.3% compared with 2015 production costs of $49.6 million. During 2016, the La India mine stacked approximately 5,837,400 tonnes of ore on the leach pad, an increase of 8.7% compared with the approximate 5,371,400 tonnes of ore stacked in 2015 primarily due to unexpected additional ore found in areas previously thought to have contained waste. Production costs per tonne remained unchanged at $9 between 2015 and 2016. Minesite costs per tonne remained unchanged at $9 between 2015 and 2016.

Total Production Costs by Category



Total cash costs per ounce of gold produced is presented in this MD&A on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (before deducting by-product metal revenues). Total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income and comprehensive income for by-product revenues, inventory production costs, smelting, refining

and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. Total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as total cash costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals.

Total production costs per ounce of gold produced, representing the weighted average of all of the Company's producing mines, increased to $621 in 2016 compared with $596 in 2015 and decreased from $705 in 2014. Total cash costs per ounce of gold produced on a by-product basis increased to $573 in 2016 compared with $567 in 2015 and decreased from $637 in 2014. Total cash costs per ounce of gold produced on a co-product basis increased to $643 in 2016 compared with $626 in 2015 and decreased from $721 in 2014. Set out below is an analysis of the change in total production costs per ounce and total cash costs per ounce at each of the Company's mining operations:

- At the LaRonde mine, total production costs per ounce of gold produced decreased to $587 in 2016 compared with $643 in 2015 primarily due to a 14.1% increase in gold production. Total cash costs per ounce of gold produced on a by-product basis decreased to $501 in 2016 compared with $590 in 2015 primarily due to the increase in gold production noted above and higher by-product revenues. Total cash costs per ounce of gold produced on a co-product basis decreased to $668 in 2016 compared with $760 in 2015, reflecting the increase in gold production noted above.

- At the Lapa mine, total production costs per ounce of gold produced increased to $717 in 2016 compared with $578 in 2015 due to lower production and higher costs associated with development work in the new zones that were previously excluded from the mine plan. Total cash costs per ounce of gold produced on a by-product basis increased to $732 in 2016 compared with $590 in 2015 due to the same factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $732 in 2016 compared with $591 in 2015 due to the same factors as noted above.

- At the Goldex mine, total production costs per ounce of gold produced decreased to $525 in 2016 compared with $531 in 2015 due to a 4.6% increase in gold production and an increase in inventory. Total cash costs per ounce of gold produced on a by-product basis decreased to $532 in 2016 compared with $538 in 2015 due to the increase in gold production noted above. Total cash costs per ounce of gold produced on a co-product basis decreased to $532 in 2016 compared with $538 in 2015 due to the same factors as noted above, other than the inventory adjustment.

- At the Meadowbank mine, total production costs per ounce of gold produced increased to $701 in 2016 compared with $604 in 2015 due to an 18.2% decrease in production, a lower amount of stripping costs being capitalized and a decrease in inventory. Total cash costs per ounce of gold produced on a by-product basis increased to $715 in 2016 compared with $613 in 2015 due to the same factors noted above, other than the inventory adjustment. Total cash costs per ounce of gold produced on a co-product basis increased to $727 in 2016 compared with $623 in 2015 due to the same factors as noted above, other than the inventory adjustment.

- At the Canadian Malartic mine, total production costs per ounce of gold produced increased to $628 in 2016 compared with $600 in 2015 due to unplanned maintenance on the leach tank, ball mill and crusher components in the process plant and additional stripping costs. Total cash costs per ounce of gold produced on a by-product basis increased to $606 in 2016 compared with $596 during 2015 as a result of the same factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $626 in 2016 compared with $613 during 2015 as a result of the same factors as noted above.

- At the Kittila mine, total production costs per ounce of gold produced decreased to $701 in 2016 compared with $711 in 2015 due to a 14.2% increase in gold production and an increase in inventory. Total cash costs per ounce of gold produced on a by-product basis decreased to $699 in 2016 compared with $709 in 2015 due to the same factors as noted above, other than the inventory adjustment. Total cash costs per ounce of gold produced on a co-product basis decreased to $700 in 2016 compared with $710 in 2015 due to the same factors as noted above, other than the inventory adjustment.

- At the Pinos Altos mine, total production costs per ounce of gold produced increased to $594 in 2016 compared with $545 in 2015 due to higher consumable costs, variations in the proportion of heap leach ore to milled ore, variations in open pit ore to underground ore, fluctuations in the waste to ore stripping ratio and a decrease in inventory. Total cash costs per ounce of gold produced on a by-product basis decreased to $356 in 2016 compared with $387 in 2015. This decrease was primarily due to increased by-product revenue due to higher silver prices and a weaker Mexican peso relative to the US dollar between periods. Total cash costs per ounce of gold produced on a co-product basis

increased to $585 in 2016 compared with $578 in 2015 due to the same factors as noted above, other than by-product revenue and the inventory adjustment.

- At the Creston Mascota deposit at Pinos Altos, total production costs per ounce of gold produced increased to $578 in 2016 compared to $480 in 2015 due to a 13.5% decrease in gold production and a decrease in inventory. Total cash costs per ounce of gold produced on a by-product basis increased to $516 in 2016 compared with $430 in 2015. This increase was primarily due to the decrease in gold production noted above, partially offset by a weaker Mexican peso relative to the US dollar between periods, other than the inventory adjustment. Total cash costs per ounce of gold produced on a co-product basis increased to $588 in 2016 compared with $474 in 2015 due to the same factors as noted above, other than the inventory adjustment.

- At the La India mine, total production costs per ounce of gold produced decreased to $432 in 2016 compared with $475 in 2015 due to a 10.3% increase in gold production and an increase in inventory. Total cash costs per ounce of gold produced on a by-product basis decreased to $395 in 2016 compared with $436 in 2015. This decrease was primarily due the increase in gold production noted above and a weaker Mexican peso relative to the US dollar between periods, other than the inventory adjustment. Total cash costs per ounce of gold produced on a co-product basis decreased to $468 in 2016 compared with $475 in 2015 due to the same factors as noted above, other than the inventory adjustment.

Exploration and Corporate Development Expense

Exploration and corporate development expense increased by 33.2% to $147.0 million in 2016 from $110.4 million in 2015. Exploration and corporate development expense was $56.0 million in 2014.

A summary of the Company's significant 2016 exploration and corporate development activities is set out below:

- In Canada, exploration expenses increased by 71.2% to $96.0 million in 2016 compared with 2015 primarily due to increased exploration at the Amaruq project located 50 kilometres northwest of the Meadowbank mine in Nunavut.

- Exploration expenses decreased by 18.3% to $20.8 million in Latin America compared with 2015 primarily due to decreased exploration at the El Barqueno and Morelos Sur projects in Mexico.

- Exploration expenses decreased by 31.1% to $2.5 million in the United States and increased by 49.0% to $5.9 million in Europe in 2016 compared with 2015.

- Corporate development and project evaluation expenses increased by 2.7% to $21.7 million in 2016 compared with 2015 primarily due to increased project evaluation expenses at the Minas Chaparral project in Mexico.

The table below sets out exploration expense by region and total corporate development expense:

	2016	2015	2014
	(thousands of United States dollars)		
Canada	$ 96,026	$ 56,099	$ 27,773
Latin America	20,812	25,483	8,006
United States	2,525	3,666	2,615
Europe	5,877	3,943	5,044
Corporate development expense	21,738	21,162	12,564
Total exploration and corporate development expense	$ 146,978	$ 110,353	$ 56,002

Amortization of Property, Plant and Mine Development

Amortization of property, plant and mine development expense increased to $613.2 million in 2016 compared with $608.6 million in 2015 and $433.6 million in 2014. The increase in amortization of property, plant and mine development between 2015 and 2016 was primarily due to the increased amortization at the Pinos Altos mine as a result of the shaft going into commercial production in July of 2016 and increased tonnage at the Kittila mine, partially offset by lower depreciation at the Goldex and La India mines due to reserve increases as at December 31, 2015. Amortization expense commences once operations are in commercial production.

General and Administrative Expense

General and administrative expenses were $102.8 million in 2016, which were comparable to general and administrative expenses of $97.0 million in 2015. General and administrative expenses were $118.8 million in 2014.

Impairment Loss on Available-for-sale Securities

Impairment loss on available-for-sale securities was nil in 2016 compared with $12.0 million in 2015 and $15.8 million in 2014. Impairment loss evaluations of available-for-sale securities are based on whether a decline in fair value is considered to be significant or prolonged.

Finance Costs

Finance costs decreased to $74.6 million in 2016 compared with $75.2 million in 2015 and $73.4 million in 2014. The table below sets out the components of finance costs:

	2016	2015	2014
	(thousands of United States dollars)		
Stand-by fees on credit facilities	$ 5,387	$ 4,025	$ 4,605
Amortization of credit facilities, financing and note issuance costs	2,470	2,437	2,757
Interest on Credit Facility	3,102	8,892	7,499
Interest on notes	60,044	49,937	49,414
Accretion expense on reclamation provisions	3,832	4,164	5,173
Other interest and penalties	2,871	7,476	5,651
Interest capitalized to construction in progress	(3,065)	(1,703)	(1,706)
Total finance costs	$ 74,641	$ 75,228	$ 73,393

See *Liquidity and Capital Resources – Financing Activities* in this MD&A for details on the Credit Facility and notes referenced above.

Gain on Impairment Reversal

At the end of each reporting period the Company assesses whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If an indicator of impairment reversal exists, the recoverable amount of the asset is calculated in order to determine if any impairment reversal is required. A gain on impairment reversal is recognized for any excess of the recoverable amount of the asset over its carrying amount. The carrying amount of an asset is not increased above the lower of its recoverable amount and the carrying amount that would have been determined net of amortization had no impairment loss been recognized in prior periods.

As at December 31, 2016, the Company identified indicators of potential impairment reversal for the Company's Meadowbank mine and Meliadine mine project. As a result of the identification of these indicators, the Company estimated the recoverable amounts of the Meadowbank mine and Meliadine mine project cash generating units and concluded the recoverable amounts exceeded the carrying amounts. The Company recorded a gain on impairment reversal of $37.2 million at the Meadowbank mine and $83.0 million at the Meliadine mine project (refer to note 22 in the Company's annual consolidated financial statements for additional details).

A discounted cash flow approach was used to estimate fair value less costs of disposal, which represents the recoverable amount of property, plant and mine development assets that was used to determine the impairment reversal amounts. The total gain on impairment reversal recorded during the year ended December 31, 2016 was $120.2 million.

At the end of each reporting period the Company also assesses whether there is any indication that long-lived assets may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. An impairment loss is recognized for any excess of the carrying amount of the asset over its recoverable amount. The recoverable amounts are based on each asset's future cash flows and represents each asset's fair value less costs of disposal.

Based on assessments completed by the Company, no impairment losses were required in 2016, 2015 or 2014.

Management's estimates of future net cash flows are subject to risk and uncertainties. Therefore, it is reasonably possible that changes could occur which may affect the recoverability of the Company's long-lived assets and goodwill. This may have a material effect on the Company's future consolidated financial statements.

Foreign Currency Translation Loss (Gain)

The Company's operating results and cash flow are significantly affected by changes in the exchange rate between the US dollar and each of the Canadian dollar, Mexican peso and Euro as all of the Company's revenues are earned in US dollars while a significant portion of its operating and capital costs are incurred in such other currencies. During the period from January 1, 2015 through December 31, 2016, the daily US dollar (noon) exchange rate as reported by the Bank of Canada has fluctuated between C$1.17 and C$1.46, 14.57 Mexican pesos and 20.83 Mexican pesos and €0.83 and €0.96 per US$1.00.

A foreign currency translation loss of $13.2 million was recorded in 2016 compared with a foreign currency translation gain of $4.7 million in 2015 and a foreign currency translation loss of $3.8 million in 2014. On average, the US dollar strengthened against the Canadian dollar, Mexican peso and Euro in 2016 compared with 2015. The US dollar also strengthened against the Mexican peso and Euro and weakened against the Canadian dollar on December 31, 2016, compared to December 31, 2015. The net foreign currency translation loss in 2016 was primarily due to the translation impact of monetary assets denominated in Mexican pesos and Euros and monetary liabilities denominated in Canadian dollars, offset partially by the translation impact of monetary liabilities denominated in Mexican pesos and Euros and monetary assets denominated in Canadian dollars.

Income and Mining Taxes Expense

In 2016, the Company recorded income and mining taxes expense of $109.6 million on income before income and mining taxes of $268.5 million at an effective tax rate of 40.8%. In 2015, the Company recorded income and mining taxes expense of $58.0 million on income before income and mining taxes of $82.6 million at an effective tax rate of 70.2%. The Company's 2016 and 2015 effective tax rates were higher than the applicable statutory tax rate of 26.0% primarily due to the impact of mining taxes, foreign exchange and non-deductible expenses. In 2014, the Company recorded income and mining taxes expense of $106.2 million on income before income and mining taxes of $189.1 million at an effective tax rate of 56.1%.

Liquidity and Capital Resources

As at December 31, 2016, the Company's cash and cash equivalents, short-term investments and current restricted cash totaled $548.8 million compared with $132.3 million at December 31, 2015. The Company's policy is to invest excess cash in highly liquid investments of the highest credit quality to reduce risks associated with these investments. Such investments with remaining maturities of greater than three months and less than one year at the time of purchase are classified as short-term investments. Decisions regarding the length of maturities are based on cash flow requirements, rates of return and various other factors.

Working capital (current assets less current liabilities) increased to $806.6 million at December 31, 2016 compared with $517.9 million at December 31, 2015.

Operating Activities

Cash provided by operating activities increased by $162.4 million to $778.6 million in 2016 compared with 2015. The increase in cash provided by operating activities was primarily due to increases in the average realized price of gold, the impact on costs of a weaker Canadian dollar relative to the US dollar and more favourable working capital changes between periods. Partially offsetting these positive impacts on cash provided by operating activities was a $36.6 million increase in exploration and corporate development expenses between 2015 and 2016. Cash provided by operating activities was $668.3 million in 2014, $52.1 million higher than in 2015 primarily due to higher average realized prices of all metals in 2014 compared with 2015.

Investing Activities

Cash used in investing activities increased to $553.5 million in 2016 from $374.5 million in 2015. The increase in cash used in investing activities between periods was primarily due to a $66.3 million increase in capital expenditures, a $51.6 million decrease in net proceeds from the sale of available-for-sale securities and other investments and a $14.0 million increase in purchases of available-for-sale securities and other investments. Cash used in investing activities was $851.6 million in 2014,

including capital expenditures of $475.4 million and $403.5 million in net cash expenditures associated with the Company's joint acquisition of Osisko, partially offset by $44.7 million in net proceeds from the sale of available-for-sale securities and warrants.

In 2016, the Company invested cash of $516.1 million in projects and sustaining capital expenditures compared with $449.8 million in 2015. Capital expenditures in 2016 included $116.1 million at the Meliadine mine project, $78.4 million at the Goldex mine, $75.9 million at the Kittila mine, $64.3 million at the LaRonde mine, $60.4 million at the Canadian Malartic mine (the Company's attributable portion), $59.6 million at the Pinos Altos mine, $38.3 million at the Meadowbank mine, $10.5 million at the La India mine, $9.3 million at the Creston Mascota deposit at Pinos Altos and $3.3 million at other projects. The $66.3 million increase in capital expenditures between 2015 and 2016 was primarily due to significant expenditures that were incurred in 2016 relating to the development of the Meliadine mine project, including the purchase of long lead time equipment and material to prepare for the upcoming barge season.

On March 8, 2017, the Company completed the purchase of 38,100,000 common shares of GoldQuest Mining Corporation ("GoldQuest") pursuant to a private placement. The Company paid C$0.60 per GoldQuest common share, for total consideration of approximately C$22.9 million. Upon the closing of the transaction, Agnico Eagle held approximately 15.0% of the issued and outstanding common shares of GoldQuest on a non-diluted basis.

On February 28, 2017, the Company completed the purchase of 14,420,000 common shares of Otis Gold Corporation ("Otis") pursuant to a private placement. The Company paid C$0.35 per Otis common share, for total consideration of approximately C$5.0 million. Upon the closing of the transaction, Agnico Eagle held approximately 9.95% of the issued and outstanding common shares of Otis on a non-diluted basis.

On December 22, 2016, the Company subscribed for 22,500,000 common shares of Cartier Resources Inc. ("Cartier") in a non-brokered private placement at a price of C$0.20 per Cartier common share, for total cash consideration of C$4.5 million. Upon closing the transaction, the Company held approximately 19.97% of the issued and outstanding common shares of Cartier on a non-diluted basis. On March 20, 2017, the Company subscribed for an additional 3,365,369 common shares of Cartier for total proceeds of approximately C$0.6 million. Upon closing the transaction, the Company held approximately 19.85% of the issued and outstanding common shares of Cartier on a non-diluted basis.

On December 13, 2016, the Company subscribed for 12,100,000 common shares of G4G Capital Corp., subsequently renamed White Gold Corp ("White Gold") in a non-brokered private placement at a price of C$1.20 per White Gold common share, for total cash consideration of approximately C$14.5 million. Upon closing the transaction, the Company held approximately 19.93% of the issued and outstanding common shares of White Gold on a non-diluted basis. On March 21, 2017, the Company subscribed for an additional 1,110,000 shares of White Gold for total proceeds of approximately C$1.5 million. Upon closing the transaction, the Company held approximately 19.93% of the issued and outstanding common shares of White Gold on a non-diluted basis.

On March 16, 2016, the Company subscribed for 11,680,000 common shares of Belo Sun Mining Corp. ("Belo Sun") in a non-brokered private placement at a price of C$0.53 per Belo Sun common share, for total cash consideration of approximately C$6.2 million. On July 27, 2016, the Company subscribed for 14,922,760 common shares of Belo Sun pursuant to public offering by Belo Sun at a price of C$0.85 per Belo Sun common share, for total cash consideration of approximately C$12.7 million. Upon closing the transaction, the Company held approximately 19.2% of the issued and outstanding common shares of Belo Sun on a non-diluted basis.

On June 11, 2015, Agnico Eagle Sweden AB ("AE Sweden"), an indirect wholly-owned subsidiary of the Company, acquired 55.0% of the issued and outstanding common shares of Gunnarn Mining AB ("Gunnarn") from Orex Minerals Inc. ("Orex"), by way of a share purchase agreement (the "Gunnarn SPA"). The operation and governance of Gunnarn and the Barsele project are governed by a joint venture agreement among the Company, AE Sweden, Orex and Gunnarn (the "Gunnarn JVA"). Under the Gunnarn SPA, the consideration for the acquisition of the 55.0% of Gunnarn's outstanding common shares was $10.0 million, comprised of $6.0 million in cash payable at closing and payments of $2.0 million in cash or, at AE Sweden's sole discretion, shares of the Company, on each of the first and second anniversary of the closing. Under the Gunnarn JVA, AE Sweden committed to incur an aggregate of $7.0 million of exploration expenses at the Barsele project by June 11, 2018, 45.0% or $3.1 million of which is considered accrued purchase consideration. Accordingly, the Company's total purchase consideration for the acquisition of its 55.0% interest in Gunnarn was $13.1 million. AE Sweden may earn an additional 15.0% interest in Gunnarn under the Gunnarn JVA if it completes a feasibility study in respect of the Barsele project. The Gunnarn JVA also provides AE Sweden with the right to nominate a majority of the members of the board of directors of Gunnarn (based on current shareholdings) and AE Sweden is the sole operator of the Barsele project and paid customary management fees. In connection with the transaction, Orex also obtained a 2.0% net smelter return royalty on production from the Barsele property, which the Company may repurchase at any time for $5.0 million. The Gunnarn acquisition was

accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $0.6 million were capitalized to the mining properties acquired. On September 25, 2015, Orex Minerals Inc. assigned its interest in the Gunnarn JV Agreement to Barsele Minerals Corp. ("Barsele Minerals"), which was at the time a wholly-owned subsidiary of Orex. All of the shares of Barsele Minerals were subsequently distributed to shareholders of Orex under a plan of arrangement.

On June 9, 2015, the Company acquired all of the issued and outstanding common shares of Soltoro Ltd. ("Soltoro"), including common shares issuable on the exercise of Soltoro's outstanding options and warrants, by way of a plan of arrangement under the Canada Business Corporations Act (the "Soltoro Arrangement"). Each outstanding share of Soltoro was exchanged under the Soltoro Arrangement for: (i) C$0.01 in cash; (ii) 0.00793 of an Agnico Eagle common share; and (iii) one common share of Palamina Corp., a company that was newly formed in connection with the Soltoro Arrangement. Pursuant to the Soltoro Arrangement, Soltoro transferred all mining properties located outside of the state of Jalisco, Mexico to Palamina Corp. and retained all other mining properties. Agnico Eagle had no interest in Palamina Corp. upon the closing of the Soltoro Arrangement. Agnico Eagle's total purchase price of $26.7 million was comprised of $2.4 million in cash, including $1.6 million in cash contributed to Palamina Corp. and 770,429 Agnico Eagle common shares issued from treasury. The Soltoro acquisition was accounted for as an asset acquisition and transaction costs associated with the acquisition totaling $1.4 million were capitalized to the mining properties acquired.

On May 21, 2015, the Company subscribed for 62,500,000 common shares of Belo Sun in a non-brokered private placement at a price of C$0.24 per Belo Sun common share, for total cash consideration of C$15.0 million.

On March 19, 2015, Agnico Eagle, Yamana and Canadian Malartic GP completed the purchase of a 30.0% interest in the Malartic CHL property from Abitibi Royalties Inc. ("Abitibi") in exchange for 459,197 Agnico Eagle common shares, 3,549,695 Yamana common shares and 3.0% net smelter return royalties to each of Abitibi and Osisko Gold Royalties Ltd. on the Malartic CHL property. Total Agnico Eagle common share consideration issued was valued at $13.4 million based on the closing price of the common shares on March 18, 2015. The Malartic CHL property is located adjacent to the Company's jointly owned Canadian Malartic mine and the remaining 70.0% interest in the Malartic CHL property was jointly acquired through the June 16, 2014 acquisition of Osisko (the predecessor to Canadian Malartic Corporation). Concurrent with the transaction closing, each of Abitibi, Agnico Eagle, Yamana, Canadian Malartic GP and Canadian Malartic Corporation released and discharged the others with respect to all proceedings previously commenced by Abitibi with respect to the Malartic CHL property. As a result of the transaction, Agnico Eagle and Yamana jointly own a 100.0% interest in the Malartic CHL property through their respective indirect interests in Canadian Malartic GP.

In 2016, the Company received net proceeds of $9.5 million from the sale of available-for-sale securities and other investments compared with $61.1 million in 2015 and $44.7 million in 2014. In 2016, the Company purchased $33.8 million of available-for-sale securities and other investments compared with $19.8 million in 2015 and $27.2 million in 2014. 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 of $190.4 million in 2016 increased compared with cash used in financing activities of $280.8 million in 2015 primarily due to the issuance of the 2016 Notes on June 30, 2016 and the receipt of $192.1 million of proceeds from the exercise of stock options, partially offset by a $19.3 million increase in net repayments of debt between periods. Cash provided by financing activities was $229.2 million in 2014, which included net proceeds from long-term debt of $286.0 million, partially offset by dividends paid of $54.1 million.

In 2016, the Company paid dividends of $71.4 million compared with $59.5 million in 2015 and $54.1 million in 2014. Agnico Eagle has declared a cash dividend every year since 1983. Although the Company expects to continue paying dividends, future dividends will be at the discretion of the Board and will be subject to factors such as income, financial condition and capital requirements.

On October 26, 2016, the Company amended its $1.2 billion Credit Facility to, among other things, extend the maturity date from June 22, 2020 to June 22, 2021 and amending pricing terms. As at December 31, 2016, the Company's outstanding balance under the Credit Facility was nil. Credit Facility availability is reduced by outstanding letters of credit, amounting to $0.8 million at December 31, 2016. As at December 31, 2016, $1,199.2 million was available for future drawdown under the Credit Facility.

On June 30, 2016, the Company closed a $350.0 million private placement of guaranteed senior unsecured notes (the "2016 Notes"), which, on issuance, had a weighted average maturity of 9.43 years and a weighted average yield of 4.77%. Proceeds from the offering of the 2016 Notes were used to repay amounts outstanding under the Credit Facility.

On June 29, 2016, the Company entered into a standby letter of credit facility with a financial institution providing for a C$100.0 million uncommitted letter of credit facility (the "Third LC Facility"). The Third LC Facility may be used to support the reclamation obligations or non-financial or performance obligations of the Company or its subsidiaries. The obligations of the Company under the Third LC Facility are guaranteed by certain of its subsidiaries. As at December 31, 2016, total letters of credit outstanding under the Third LC Facility amounted to $38.2 million.

On March 10, 2016, the Company raised approximately C$25.0 million ($18.7 million) through the issuance of 374,869 common shares at a price of C$66.69 per common share. Flow-through shares are securities issued to investors whereby the deductions for tax purposes related to resource exploration and evaluation expenditures may be claimed by investors instead of the issuer, subject to a renouncement process. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented in the accounts payable and accrued liabilities line item in the balance sheet because the Company had not yet fulfilled its obligation to pass on the tax deductions to the investor. At the time the Company fulfills its obligation, the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense. The closing price of the Company's common shares on the March 10, 2016 issuance date was C$48.49, resulting in an increase to share capital of approximately C$18.2 million ($13.6 million). The initial C$6.8 million ($5.1 million) liability is drawn down as eligible expenditures are incurred because the Company has a positive intention to renounce these expenses. During the year ended December 31, 2016, the liability was fully extinguished based on eligible expenditures incurred.

On September 30, 2015, the Company closed a private placement consisting of a $50.0 million guaranteed senior unsecured note (the "2015 Note") with a September 30, 2025 maturity date and a yield of 4.15%. Under the note purchase agreement in respect of the 2015 Note, the Company agreed that an amount equal to or greater than the net proceeds from the 2015 Note would be spent on mining projects in the Province of Quebec, Canada.

On September 23, 2015, the Company entered into a standby letter of credit facility with a financial institution providing for a C$150.0 million uncommitted letter of credit facility (as amended, the "Second LC Facility"). The Second LC Facility may be used by the Company to support the reclamation obligations of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest or the performance obligations (other than with respect to indebtedness for borrowed money) of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest that are not directly related to reclamation obligations. Payment and performance of the Company's obligations under the Second LC Facility are supported by an account performance security guarantee issued by Export Development Canada in favour of the lender. As at December 31, 2016, $52.2 million had been drawn under the Second LC Facility.

On July 31, 2015, the Company amended its credit agreement with a financial institution relating to its uncommitted letter of credit facility (as amended, the "First LC Facility"). Effective November 5, 2013, the amount available under the First LC Facility increased from C$175.0 million to C$200.0 million. Effective September 28, 2015, the amount available under the First LC Facility was increased to C$250.0 million. Effective September 27, 2016, the amount available under the First LC Facility was increased to C$350.0 million.The obligations of the Company under the First LC Facility are guaranteed by certain of its subsidiaries. The First LC Facility may be used to support the reclamation obligations or non-financial or performance obligations of the Company or its subsidiaries. As at December 31, 2016, $158.7 million had been drawn under the First LC Facility.

On July 24, 2012, the Company closed a private placement 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 offering of the 2012 Notes were used to repay amounts outstanding under the Credit Facility.

On April 7, 2010, the Company closed a private placement 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 connection with its joint acquisition of Osisko on June 16, 2014, Canadian Malartic GP was assigned and assumed certain outstanding debt and finance lease obligations of Osisko relating to the Canadian Malartic mine. Agnico Eagle's indirect attributable interest in such debt and finance lease obligations included a secured loan facility (the "CMGP loan") with a remaining scheduled C$20.0 million repayment on June 30, 2017 and a 6.875% per annum interest rate. As at December 31, 2016, the attributable outstanding principal is C$20.0 million ($14.9 million). Agnico Eagle's indirect attributable interest in the finance lease obligations of CMGP include secured finance lease obligations provided in separate tranches with remaining maturities up to 2019 and a 7.5% interest rate. As at December 31, 2016, the Company's attributable finance lease obligations were $5.9 million.

The Company was in compliance with all covenants contained in the Credit Facility, 2016 Notes, 2015 Note, 2012 Notes, 2010 Notes, First LC Facility, Second LC Facility and the Third LC Facility as at December 31, 2016. Canadian Malartic GP was in compliance with all covenants under the CMGP Loan as at December 31, 2016.

The Company issued common shares under the Company's incentive share purchase plan and dividend reinvestment plan for gross proceeds of $29.0 million in 2016 compared with $9.4 million in 2015 and $10.4 million in 2014.

Contractual Obligations

Agnico Eagle's contractual obligations as at December 31, 2016 are set out below:

	Total	2017	2018-2019	2020-2021	Thereafter
			(millions of United States dollars)		
Reclamation provisions[(i)]	$ 397.3	$ 9.2	$ 15.0	$ 8.9	$ 364.2
Purchase commitments[(ii)]	84.2	43.3	15.1	8.8	17.0
Pension obligations[(iii)]	6.6	0.1	0.9	1.6	4.0
Finance and operating leases	31.9	9.2	11.1	2.1	9.5
Long-term debt[(iv)]	1,214.9	129.9	—	360.0	725.0
Total[(v)]	$ 1,734.9	$ 191.7	$ 42.1	$ 381.4	$ 1,119.7

Notes:

(i) Mining operations are subject to environmental regulations that require companies to reclaim and remediate land disturbed by mining operations. The Company has submitted closure plans to the appropriate governmental agencies which estimate the nature, extent and costs of reclamation for each of its mining properties. Expected reclamation cash flows are presented above on an undiscounted basis. Reclamation provisions recorded in the Company's consolidated financial statements are measured at the expected value of future cash flows discounted to their present value using a risk-free interest rate.

(ii) Purchase commitments include contractual commitments for the acquisition of property, plant and mine development. Agnico Eagle's attributable interest in the purchase commitments associated with its joint operations totaled $2.7 million as at December 31, 2016.

(iii) Agnico Eagle provides a non-registered supplementary executive retirement defined benefit plan for certain current and former senior officers (the "Executives Plan"). The Executives Plan benefits are generally based on the employee's years of service and level of compensation. The data included in this table have been actuarially determined.

(iv) With respect to the Company's long-term debt obligations, the Company has assumed that repayment will occur on each instrument's respective maturity date.

(v) The Company's future operating cash flows are expected to be sufficient to satisfy its contractual obligations.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements as at December 31, 2016 include operating leases with various counterparties of $20.1 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 $251.6 million under the Credit Facility, First LC Facility, Second LC Facility and Third LC Facility (see Note 25 to the consolidated financial statements). If the Company were to terminate these off-balance sheet arrangements, the Company's liquidity position (as outlined in the table below) is sufficient to satisfy any related penalties or obligations.

2017 Liquidity and Capital Resources Analysis

The Company believes that it has sufficient capital resources to satisfy its 2017 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 2017:

		Amount
		(millions of United States dollars)
2017 Mandatory Commitments:		
Contractual obligations (see table above)	$	191.7
Accounts payable and accrued liabilities (as at December 31, 2016)		228.6
Interest payable (as at December 31, 2016)		14.2
Income taxes payable (as at December 31, 2016)		35.1
Total 2017 mandatory expenditure commitments	$	469.6
2017 Discretionary Commitments:		
Expected 2017 capital expenditures	$	859.4
Expected 2017 exploration and corporate development expenses		103.2
Total 2017 discretionary expenditure commitments		962.6
Total 2017 mandatory and discretionary expenditure commitments	$	1,432.2
2017 Capital Resources:		
Cash, cash equivalents and short-term investments (as at December 31, 2016)	$	548.4
Expected 2017 cash provided by operating activities		650.9
Working capital, excluding cash, cash equivalents and short-term investments (as at December 31, 2016)		258.2
Available under the Credit Facility (as at December 31, 2016)		1,199.2
Total 2017 Capital Resources	$	2,656.7

While the Company believes its capital resources will be sufficient to satisfy all 2017 commitments (mandatory and discretionary), the Company may choose to decrease certain of its discretionary expenditure commitments, which include certain capital expenditures, should unexpected financial circumstances arise in the future. The Company believes that it will continue to have sufficient capital resources available to satisfy its planned development and growth activities.

Quarterly Results Review

For the Company's detailed 2016 and 2015 quarterly financial and operating results see *Summarized Quarterly Data* in this MD&A.

Revenues from mining operations increased by 3.4% to $499.2 million in the fourth quarter of 2016 compared with $482.9 million in the fourth quarter of 2015 primarily due to higher sales prices realized on gold and silver, partially offset by a 5.1% decrease in gold sales between periods. Production costs increased by 11.0% to $255.1 million in the fourth quarter of 2016 compared with $229.8 million in the fourth quarter of 2015 due to increased production and tonnage processed, partially offset by the impact of a weaker Mexican peso relative to the US dollar between periods. Exploration and corporate development expenses increased by 37.9% to $35.8 million in the fourth quarter of 2016 compared with $26.0 million in the fourth quarter of 2015 primarily due to increased exploration expenses incurred at the Amaruq project at the Meadowbank Mine in Nunavut. Amortization of property, plant and mine development decreased by 3.6% to $151.4 million in the fourth quarter of 2016 compared with $157.1 million in the fourth quarter of 2015 primarily due to lower amortization at the La India and Goldex mines due to an increase in depreciable reserves as at December 31, 2015, partially offset by higher amortization at the Pinos Altos mine due to the shaft going into commercial production in the third quarter of 2016. Net income of $62.7 million was recorded in the fourth quarter of 2016 after income and mining taxes expense of $52.8 million compared with a net loss of $15.5 million in the fourth quarter of 2015 after income and mining taxes expense of $34.6 million.

Cash provided by operating activities decreased by 14.3% to $120.6 million in the fourth quarter of 2016 compared with $140.7 million in the fourth quarter of 2015. The decrease in cash provided by operating activities was primarily due to a $34.2 million decrease in working capital balances, partially offset by a $16.3 million increase in revenue due to a 9.3% increase in the average realized price of gold 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* in this MD&A for a discussion of assumptions and risks relating to such statements and information.

Gold Production

LaRonde Mine

In 2017, payable gold production at the LaRonde mine is expected to be approximately 315,000 ounces. Over the 2017 to 2019 period, average annual payable gold production at the LaRonde mine is expected to be approximately 347,000 ounces. Infill drilling completed in 2016 successfully upgraded portions of the LaRonde 3 mineral resource base, which will continue to be explored going forward. As well, throughout the three-year guidance period it is expected that there will be an increase in grade closer to that of the average mineral reserves. Total cash costs per ounce of gold produced on a by-product basis at the LaRonde mine are expected to be approximately $510 in 2017 compared with $501 in 2016.

Lapa Mine

In 2017, payable gold production at the Lapa mine is expected to be approximately 15,000 ounces. Under the current life of mine plan, Lapa is expected to operate until the end of the second quarter of 2017, with production coming from Zone Deep East and Zone 7 Deep. The Company is evaluating opportunities to continue production into the second half of 2017. Total cash costs per ounce of gold produced on a by-product basis at the Lapa mine are expected to be approximately $1,002 in 2017 compared with $732 in 2016, reflecting expectations of decreased production and lower gold grade.

Goldex Mine

In 2017, payable gold production at the Goldex mine is expected to be approximately 105,000 ounces. Over the 2017 to 2019 period, average annual payable gold production at the Goldex mine is expected to be approximately 113,000 ounces. Throughout the three year guidance period, mining will transition from the M and E satellite zones to the Deep 1 zone. Commissioning of the Deep 1 project remains on budget and schedule for commencement of mining in early 2018. Total cash costs per ounce of gold produced on a by-product basis at the Goldex mine are expected to be approximately $667 in 2017 compared with $532 in 2016, reflecting expectations of decreased production due to lower gold grade.

Meadowbank Mine

In 2017, payable gold production at the Meadowbank mine is expected to be approximately 320,000 ounces. Over the 2017 to 2018 period, average annual payable gold production at the Meadowbank mine is expected to be approximately 242,500 ounces. Production guidance has increased slightly over previous guidance due to a slight increase in mineral reserves at year-end 2016 and the mining of higher grade ore in the Portage pit. At the Vault pit, opportunities are being investigated to potentially extend production through year-end 2018. The Amaruq satellite deposit at Meadowbank is expected to go into production in the third quarter of 2019 and provide approximately 135,000 ounces in its first partial year of commercial production. Total cash costs per ounce of gold produced on a by-product basis at the Meadowbank mine are expected to be approximately $683 in 2017 compared with $715 in 2016, reflecting expectations of increased production.

Canadian Malartic Mine

In 2017, attributable payable gold production at the Canadian Malartic mine is expected to be approximately 300,000 ounces. Over the 2017 to 2019 period, average annual attributable payable gold production at the Canadian Malartic mine is expected to be approximately 315,000 ounces. The updated life of mine plan for Malartic provides earlier access to higher grade zones that are located deeper in the Canadian Malartic pit. Total cash costs per ounce of gold produced on a by-product basis at the Canadian Malartic mine are expected to be approximately $578 in 2017 compared with $606 in 2016, reflecting expectations of increased production and higher gold grade.

Kittila Mine

In 2017, payable gold production at the Kittila mine is expected to be approximately 190,000 ounces. Over the 2017 to 2019 period, average annual payable gold production at the Kittila mine is expected to be approximately 200,000 ounces. The Company is carrying out studies to evaluate the economics of increasing throughput rates from the current 1.6 million tonnes per annum to 2.0 million tonnes, which could be further supported by continued development of the Rimpi and Sisar zones. Total cash costs per ounce of gold produced on a by-product basis at the Kittila mine are expected to be approximately $728 in 2017 compared with $699 in 2016, reflecting expectations of decreased production.

Pinos Altos Mine

In 2017, payable gold production at the Pinos Altos mine is expected to be approximately 170,000 ounces. Over the 2017 to 2019 period, average annual payable gold production at the Pinos Altos mine is expected to be approximately 173,000 ounces. Commissioning of the Pinos Altos shaft was completed in 2016 should allow for increased throughput at the mill. Exploration of the Cerro Colorado Zone outlined additional mineralization on the boundaries of the zone, and further drilling will be carried out in 2017 to evaluate this potential. Total cash costs per ounce of gold produced on a by-product basis at the Pinos Altos mine are expected to be approximately $474 in 2017 compared with $356 in 2016, reflecting expectations of decreased production due to changes in the mining sequence and the weakening of the Mexican peso relative to the US dollar during 2016.

Creston Mascota deposit at Pinos Altos

In 2017, payable gold production at the Creston Mascota deposit at Pinos Altos is expected to be approximately 40,000 ounces. Over the 2017 to 2019 period, average annual payable gold production at the Creston Mascota deposit at Pinos Altos is expected to be approximately 25,000 ounces. Recent exploration at Bravo, Cubiro and Madrono has yielded positive results and further drilling is planned for 2017. Total cash costs per ounce of gold produced on a by-product basis at the Creston Mascota deposit at Pinos Altos are expected to be approximately $812 in 2017 compared with $516 in 2016, reflecting expectations of decreased production as the mine life winds down and the weakening of the Mexican peso relative to the US dollar during 2016.

La India Mine

In 2017, payable gold production at the La India mine is expected to be approximately 100,000 ounces. Over the 2017 to 2019 period, average annual payable gold production at the La India mine is expected to be approximately 107,000 ounces. Step out drilling in 2016 at the nearby El Realito project yielded encouraging results, and additional work is planned for 2017. Total cash costs per ounce of gold produced on a by-product basis at the La India mine are expected to be approximately $583 in 2017 compared with $395 in 2016, reflecting decreased production, lower tonnes processed and the weakening of the Mexican peso relative to the US dollar during 2016.

Production 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, the Goldex mine M and E Zones in 2013 and the La India mine in 2014, along with the joint acquisition of the Canadian Malartic mine on June 16, 2014, Agnico Eagle has transformed from a one mine operation to an eight mine senior gold mining company over the last eight years. In 2016, the Company achieved annual payable gold production of 1,662,888 ounces. As the Company plans 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 decrease to approximately 1,555,000 ounces in 2017, representing a 6.9% decrease compared with 2016. The Company expects that the main contributors to achieving the targeted levels of payable gold production, mineral reserves and mineral resources in 2017 will include:

- Increased production from the Meadowbank, LaRonde and Canadian Malartic mines due to the mining of higher grade ore;
- Continued mill and mine plan optimization; and
- Continued conversion of Agnico Eagle's current mineral resources to mineral reserves.

Financial Outlook

Revenue from Mining Operations and Production Costs

In 2017, the Company expects to continue to generate solid cash flow with payable gold production of approximately 1,555,000 ounces compared with 1,662,888 ounces in 2016. This expected decrease in payable gold production is primarily due to the planned wind down of the Lapa mine in 2017, changes in the mining sequence of Pinos Altos resulting in lower gold production in 2017 and lower production at the Goldex mine as a result of lower throughput.

The table below sets out actual payable production in 2016 and expected payable production in 2017:

	2017 Forecast	**2016 Actual**
Gold (ounces)	1,555,000	1,662,888
Silver (thousands of ounces)	4,435	4,759
Zinc (tonnes)	7,267	4,687
Copper (tonnes)	4,480	4,416

In 2017, the Company expects total cash costs per ounce of gold produced on a by-product basis at the LaRonde mine to be approximately $510 compared with $501 in 2016. In calculating expectations of total cash costs per ounce of gold produced on a by-product basis for the LaRonde mine, net silver, zinc and copper by-product revenue offsets production costs. Therefore, production and price assumptions for by-product metals play an important role in the LaRonde mine's expected total cash costs per ounce of gold produced on a by-product basis due to its significant by-product production. The Pinos Altos mine also generates significant silver by-product revenue. An increase in by-product metal prices above forecasted levels would result in improved total cash costs per ounce of gold produced on a by-product basis at these mines. Total cash costs per ounce of gold produced on a co-product basis are expected to be approximately $699 in 2017 at the LaRonde mine compared with $668 in 2016.

As production costs at the LaRonde, Lapa, Goldex, Meadowbank and Canadian Malartic mines are denominated primarily in Canadian dollars, production costs at the Kittila mine are denominated primarily in Euros and production costs at the Pinos Altos mine, the Creston Mascota deposit at Pinos Altos and the La India mine are denominated primarily in Mexican pesos, the Canadian dollar/US dollar, Euro/US dollar and Mexican peso/US dollar exchange rates also affect the Company's expectations for the total cash costs per ounce of gold produced both on a by-product and co-product basis.

The table below sets out the metal price and exchange rate assumptions used in deriving the expected 2017 total cash costs per ounce of gold produced on a by-product basis (forecasted production for each metal is shown in the table above) as well as the actual market average closing prices for each variable for the period of January 1, 2017 through February 28, 2017:

	2017 Assumptions	Actual Market Average (January 1, 2017 – February 28, 2017)
Silver (per ounce)	$16.00	$17.33
Zinc (per tonne)	$2,425	$2,779
Copper (per tonne)	$5,500	$5,837
Diesel (C$ per litre)	$0.80	$0.72
C$/US$ exchange rate (C$)	$1.28	$1.32
Euro/US$ exchange rate (Euros)	€0.91	€0.94
Mexican peso/US$ exchange rate (Mexican pesos)	18.00	20.92

See *Risk Profile – Commodity Prices and Foreign Currencies* in this MD&A for the expected impact on forecast 2017 total cash costs per ounce of gold produced on a by-product basis of certain changes in commodity price and exchange rate assumptions.

Exploration and Corporate Development Expenditures

In 2017, Agnico Eagle expects to incur exploration and corporate development expenses of approximately $103.2 million. Exploration expenses are expected to be focused on the Amaruq project in Nunavut, the LaRonde 3 deep deposit, the Barsele project in Sweden, the Sisar zone at the Kittila mine in Finland, satellite targets at the Pinos Altos and La India mines in Mexico and the El Barqueno project in Jalisco State, Mexico. At the Amaruq project, the first phase of a planned 75,000 metre drill program (costing approximately $21.9 million) commenced in early February 2017. Agnico Eagle's expected exploration program at the El Barqueno project in 2017 of approximately $16.8 million will focus on mineral resource development, conversion and regional exploration. At Barsele, $8.8 million will be spent with a focus to expand the mineral resources along strike and at depth and to test the gap between the Central and Avan zones. At Kittila, approximately $7.9 million will be spent on further deep drilling, including at the Sisar zone.

Exploration programs are designed to infill and expand known deposits and test other favourable target areas that could ultimately supplement the Company's existing production profile. Exploration is success driven and thus planned exploration could change materially based on the results of the various exploration programs. When it is determined that a project can generate future economic benefit, the costs of drilling and development to further delineate the ore body on such a property are capitalized. In 2017, the Company expects to capitalize approximately $21.7 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 be between $95.0 million and $115.0 million in 2017 compared with $102.8 million in 2016. Amortization of property, plant and mine development is expected to be between $590.0 million and $620.0 million in 2017 compared with $613.2 million in 2016. The Company's effective tax rate is expected to be between 40.0% and 45.0% in 2017.

Capital Expenditures

Capital expenditures, including sustaining capital, construction and development costs and capitalized exploration costs, are expected to total approximately $859.4 million in 2017. The Company expects to fund its 2017 capital expenditures through

operating cash flow from the sale of its gold production and the associated by-product metals. Significant components of the expected 2017 capital expenditures program include the following:

- $284.4 million in sustaining capital expenditures relating to the LaRonde mine ($67.7 million), Canadian Malartic mine ($65.9 million – portion attributable to the Company), Kittila mine ($52.7 million), Pinos Altos mine ($48.4 million), Meadowbank mine ($20.3 million), Goldex mine ($17.0 million), La India mine ($6.9 million) and the Creston Mascota deposit at Pinos Altos ($5.5 million);

- $553.3 million in capitalized development expenditures relating to the Meliadine mine project ($355.8 million), Amaruq ($73.1 million), Goldex mine ($55.8 million), LaRonde Zone 5 ($35.0 million), Kittila mine ($24.1 million), Pinos Altos mine ($5.8 million) and the Canadian Malartic mine ($1.7 million – portion attributable to the Company); and

- $21.7 million in capitalized drilling expenditures.

During the 2017 year, a significant portion of Company's capital commitments will relate to the construction of the Meliadine mine project. The Meliadine mine project's forecast $355.8 million in development expenditures represent approximately 60.7% of the $553.3 million total. The Meliadine mine project will also have an estimated $3.9 million in capitalized drilling expenditures. The key elements of the $359.7 million program include:

- 5,600 metres of underground development (including the start of a second ramp portal);

- Approximately 12,500 metres of conversion drilling and 14,000 metres of underground delineation drilling;

- Completion of the camp complex in the second quarter of 2017;

- Installation of underground ventilation and heating infrastructure by the fourth quarter of 2017;

- Completion of the fuel farm in Rankin Inlet and at the mine site in the fourth quarter of 2017;

- Closing in of the process and power plant buildings by the end of 2017; and

- Construction of second ramp portal in the second to fourth quarters of 2017.

The Company continues to examine other possible corporate development opportunities which may result in the acquisition of companies or assets using the Company's securities, cash or a combination thereof. If cash is used to fund acquisitions, Agnico Eagle may be required to issue debt or securities to satisfy cash payment requirements.

All-in Sustaining Costs per Ounce of Gold Produced

All-in sustaining costs per ounce of gold produced is calculated on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (before deducting by-product metal revenues). All-in sustaining costs per ounce of gold produced on a by-product basis is calculated as the aggregate of total cash costs per ounce of gold produced on a by-product basis and sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options) and non-cash reclamation provision expense per ounce of gold produced. All-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as all-in sustaining costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made to total cash costs per ounce of gold produced. The calculation of all-in sustaining costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals.

Agnico Eagle's all-in sustaining costs per ounce of gold produced on a by-product basis are expected to be approximately $850 to $900 in 2017 compared with $824 in 2016.

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 attempts to mitigate 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.

Commodity Prices and Foreign Currencies

Agnico Eagle's net income is sensitive to metal prices and the Canadian dollar/US dollar, Mexican peso/US dollar and Euro/US dollar exchange rates. For the purpose of the sensitivity analyses set out in the table below, the Company applied the following metal price and exchange rate assumptions for 2017:

- Silver – $16.00 per ounce;
- Zinc – $2,425 per tonne;
- Copper – $5,500 per tonne;
- Diesel – C$0.80 per litre;
- Canadian dollar/US dollar – C$1.28 per $1.00;
- Euro/US dollar – €0.91 per $1.00; and
- Mexican peso/US dollar – 18.00 Mexican pesos per $1.00.

Changes in the market price of gold may be attributed to numerous factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. Changes in the market prices of other metals may be attributed to factors such as demand and global mine production levels. Changes in the market price of diesel may be attributed to factors such as supply and demand. Changes in exchange rates may be attributed to factors such as supply and demand for currencies and economic conditions in each country or currency area. In 2016, the ranges of metal prices, diesel prices and exchange rates were as follows:

- Silver: $13.75 – $21.14 per ounce, averaging $17.11 per ounce;
- Zinc: $1,451 – $2,907 per tonne, averaging $2,094 per tonne;
- Copper: $4,310 – $5,945 per tonne, averaging $4,867 per tonne;
- Diesel: C$0.56 – C$0.77 per litre, averaging C$0.67 per litre;
- Canadian dollar/US dollar: C$1.25 – C$1.47 per $1.00, averaging C$1.32 per $1.00;
- Euro/US dollar: €0.86 – €0.97 per $1.00, averaging €0.90 per $1.00; and
- Mexican peso/US dollar: 17.05 – 21.39 Mexican pesos per $1.00, averaging 18.69 Mexican pesos per $1.00.

The following table sets out the impact on forecasted 2017 total cash costs per ounce of gold produced on a by-product basis of specifically identified changes in assumed metal prices, the diesel price and exchange rates. Specifically identified changes in each variable were considered in isolation while holding all other assumptions constant. Based on historical market data and the 2016 price ranges shown above, these specifically identified changes in assumed metal prices and exchange rates are reasonably likely in 2017.

Changes in Variable	Impact on Forecasted 2017 Total Cash Costs per Ounce of Gold Produced (By-Product Basis)
Silver – $1 per ounce	$3
Zinc – 10%	$1
Copper – 10%	$2
Diesel – 10%	$3
Canadian dollar/US dollar – 1%	$4
Euro/US dollar – 1%	$1
Mexican peso/US dollar – 10%	$5

In order to mitigate the impact of fluctuating by-product metal prices, the Company occasionally enters into derivative financial instrument contracts under its Board-approved Risk Management Policies and Procedures. The Company has a long-standing policy of no forward gold sales. However, the policy does allow the Company to use other hedging strategies where appropriate to mitigate foreign exchange and by-product metal pricing risks. The Company occasionally buys put options, enters into price collars and enters into forward contracts to protect minimum by-product metal prices while maintaining full exposure to the price of gold. The Risk Management Committee has approved the strategy of using short-term call options in an attempt to enhance realized by-product metal prices. The Company's policy does not allow speculative trading.

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant currency risk exposure. The Company enters into currency hedging transactions under its Board-approved Foreign Exchange Risk Management Policies and Procedures to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), as it does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes.

Cost Inputs

The Company considers and may enter into risk management strategies to mitigate price risk on certain consumables including, but not limited to, diesel fuel. These strategies 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, 2016, there were no amounts outstanding on the Company's Credit Facility. In addition, the Company invests its cash in investments with short maturities or with frequent interest reset terms and a credit rating of R1-High or better. As a result, the Company's interest income fluctuates with short-term market conditions. As at December 31, 2016, short-term investments were $8.4 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 fluctuations in by-product metal prices, interest rates and foreign currency exchange rates and may use such means to manage exposure to certain input costs. The 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.

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 financial instruments, please see *Critical IFRS Accounting Policies and Accounting Estimates – Derivative Instruments and Hedge Accounting* in this MD&A.

Operational Risk

The business of gold mining is generally subject to risks and hazards, including environmental hazards, industrial accidents, equipment failures, 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 these or similar types of 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 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 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 premium costs or other reasons. The Company also 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 Meadowbank, LaRonde and Canadian Malartic mines were the Company's most significant payable gold production contributors in 2016 at 18.8%, 18.4% and 17.6% respectively. These mines are expected to account for 60.2% of the Company's payable gold production in 2017.

The following table sets out expected 2017 payable gold production by mine:

	Expected Payable Gold Production (Ounces)	**Expected Payable Gold Production (%)**
LaRonde mine	315,000	20.3%
Lapa mine	15,000	1.0%
Goldex mine	105,000	6.8%
Meadowbank mine	320,000	20.6%
Canadian Malartic mine (attributable 50.0%)	300,000	19.3%
Kittila mine	190,000	12.2%
Pinos Altos mine	170,000	10.9%
Creston Mascota deposit at Pinos Altos	40,000	2.6%
La India mine	100,000	6.3%
Total	1,555,000	100.0%

Mining is a complex and unpredictable business and, therefore, actual payable gold production may differ from expectations. Adverse conditions affecting mining or milling may have a material adverse impact on the Company's financial performance and results of operations. The Company anticipates using revenue generated by its operations to finance the capital expenditures required at its mine projects.

The Company may not achieve expected payable gold production 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 affected by unfavorable weather conditions, ground conditions or seismic activity, lower than expected ore grades, higher than expected dilution, electrical power interruptions, the physical or metallurgical characteristics of the ore and heap leach processing resulting 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 2014, gold production was negatively affected by ten days of downtime resulting from a production hoist drive failure at LaRonde. In 2015, gold production was negatively affected by lower than expected grades at Kittila and a decision during the year to extend the Vault pit at Meadowbank resulting in lower than expected 2015 production. Occurrences of this nature and other accidents, adverse conditions, operational problems or regulatory circumstances in future years may result in the Company's failure to achieve current or future production expectations.

The Company believes that the LaRonde mine extension is the deepest operation in the Western Hemisphere, with an expected maximum depth of over 3 kilometres. The operations of the LaRonde mine extension rely on 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 historic operations at the LaRonde mine. The depth of the operations poses significant challenges to the Company, such as geomechanical and seismic risks and ventilation and air conditioning requirements, which may result in difficulties and delays in achieving gold production objectives. Operations at the lower level of the LaRonde mine are subject to high levels of geomechanical stress and there are few resources available to assist the Company in modelling the geomechanical conditions at these depths, which may result in the Company not being able to extract the ore at these levels as currently contemplated. In 2014, ten days of downtime resulting from a production hoist drive failure resulted in annual production at LaRonde being approximately 10,000 ounces below the Company's expectations. 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 Company's stated mineral reserves and mineral resources 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 expected 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 by-product metal prices) may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves. Should such reductions occur, the Company may be required to 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 by-product metal prices), as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral reserves and 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 mines in Mexico. 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; security issues; 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, which is the Company's largest mine in terms of production, is located in the Kivalliq District of Nunavut in northern Canada, approximately 70 kilometres north of Baker Lake. In addition, the Amaruq property, located 50 kilometres northwest of the Meadowbank mine, has been approved as a satellite operation to the Meadowbank mine (pending receipt of required permits). The Company built a 110-kilometre all-weather road from Baker Lake, which provides summer shipping access via Hudson Bay to the Meadowbank mine and the Company is building an all-weather road between Meadowbank and the Amaruq property. 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, including the exploration and potential development of the Amaruq deposit, 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 or development of the Amaruq deposit at Meadowbank. 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.

The Company's Meliadine project, located 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 for mine development must be transported through the port of Rankin Inlet during its approximately 14-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 construction or development on the property.

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. Regulatory enforcement, in the form of compliance or infraction notices, has occurred at some of the Company's mines and, while the current risks related to such enforcement are not expected to be material, the risk of fines or corrective action cannot be ruled out in the future.

Controls Evaluation

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P").

ICFR is a framework designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has used the *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 ("COSO") in order to assess the effectiveness of the Company's ICFR.

DC&P form a broader framework designed to provide reasonable assurance that information required to be disclosed by the Company in its annual and interim filings and other reports filed under securities legislation is recorded, processed, summarized and reported within the time frame specified in securities legislation and includes controls and procedures designed to ensure that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

Together, the ICFR and DC&P frameworks provide internal control over financial reporting and disclosure. The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be disclosed in the Company's annual and interim filings and other reports filed under securities legislation, is accumulated and communicated in a timely fashion. Due to their inherent limitations, the Company acknowledges that, no matter how well designed, ICFR and DC&P can provide only reasonable assurance of achieving the desired control objectives and as such may not prevent or detect all misstatements. Further, the effectiveness of ICFR is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

The Company has retrospectively reviewed and evaluated the effectiveness of the design and operation of its controls and procedures related to the impairment testing of its long-lived assets (specifically, property, plant & mine development and goodwill) and has concluded it had not maintained effective internal control over financial reporting as of December 31, 2015. Specifically, a control employed by the Company in its review and evaluation of certain assumptions employed in determining the recoverable amount of cash generating units subject to impairment testing was not designed with sufficient precision to prevent or detect a potential material error in the Company's financial information. This resulted in a reasonable possibility that a material misstatement in the Company's consolidated financial statements related to impairment testing on long-lived assets would not have been prevented or detected on a timely basis.

Therefore, management has concluded that a previously unreported material weakness existed in this review control as of December 31, 2015. A material weakness is a deficiency, or combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness identified did not result in any identified misstatement or error in the Company's consolidated financial statements as at and for the year ended December 31, 2015 and there were no changes in the Company's previously released financial statements. The Company advises that because of the material weakness, its ICFR and DC&P were ineffective as of December 31, 2015 and continued to be ineffective until the material weakness was remediated as described below.

In order to address the material weakness identified as of December 31, 2015, the controls related to impairment testing of long-lived assets have been re-designed for the 2016 year-end impairment process, and additional controls have been introduced, to increase the precision level of the review of key assumptions to prevent or detect error. A material weakness is not considered remediated until the applicable remedial controls operate for a sufficient period of time. The controls relating to impairment testing were tested as of December 31, 2016 and management has concluded, through this testing, that these controls are operating effectively. Based on these efforts, the identified material weakness relating to internal controls over impairment testing of long-lived assets has been remediated.

The changes implemented have not materially affected, and are not reasonably likely to materially affect, the Company's ICFR in other respects. 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, 2016. Based on this evaluation, management concluded that the Company's corrected ICFR and DC&P were effective as at December 31, 2016.

Outstanding Securities

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding at March 13, 2017 were exercised:

Common shares outstanding at March 13, 2017	224,932,981
Employee stock options	7,050,128
Common shares held in a trust in connection with the Restricted Share Unit plan, Performance Share Unit plan and Long Term Incentive Plan	949,422
Total	232,932,531

Governance

Agnico Eagle's Sustainable Development Policy, revised by the Board of Directors in 2016, formally outlines the guiding principles and commitments that the Company strives to uphold. The Sustainable Development Policy is based on four

fundamental values of sustainable development at Agnico Eagle: respect for the Company's employees; protection of the environment; safe operations; and respect for the Company's communities.

Sustainable Development Management

In 2016, 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 (the "Sustainable Development Policy") that reflects the Company's commitment to responsible mining practices. The Company believes that the Sustainable Development Policy will lead to the achievement of more sustainable practices through oversight and accountability.

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

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

The RMMS also integrates the requirements of the Mining Association of Canada's industry-leading Towards Sustainable Mining Initiative (the "TSM Initiative"), as well as the Global Reporting Initiative's sustainability reporting guidelines for the mining industry. In December 2010, the Company became a member of the Mining Association of Canada and endorsed the TSM Initiative. The TSM Initiative 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.

The Company has adopted and implemented the World Gold Council's Conflict-Free Gold Standard. This implementation was initiated on January 1, 2013.

Employee Health and Safety

The Company's overall health and safety performance, as measured by accident frequency, improved during 2016. A combined lost-time and restricted work accident frequency rate (excluding the Canadian Malartic mine) of 1.04 was achieved, a 15% reduction from the 2015 rate of 1.23 and substantially below the target rate of 1.40. This is the best combined accident frequency rate ever recorded by the Company. Extensive health and safety training was also provided to employees during 2016.

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 "AMQ"), the safety card system teaches workers and supervisors to use risk-based thinking in their duties. Workers and their supervisors must meet every day to discuss on-the-job health and safety matters. The safety card system also allows the Company's workers and supervisors to document daily inspections and record observations on conditions in the workplace, as well as the nature of risks, issues and other relevant information. In addition, it allows supervisors to exchange and analyze all relevant information between shifts and various technical services to improve efficiency and safety.

In 2016, the AMQ acknowledged the Company's strong performance in the area of health and safety, recognizing 28 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 or more hours supervised without a lost-time accident. Together, this group of 28 supervisors achieved more than 2,000,000 hours supervised without a lost-time accident for a member of their crew.

Each of the Company's mining operations has its own Emergency Response Plan and has personnel trained to respond to safety, fire and environmental emergencies. Each mine also maintains the appropriate response equipment. In 2014, the

corporate crisis management plan was updated to align with industry best practices and the TSM Initiative requirements. Emergency response simulations were also performed at all divisions. The TSM Initiative also contains a Health and Safety protocol.

The Canadian Malartic mine's combined accident frequency rate in 2016 was 1.4, compared to an objective of 1.2, and compared to the 2015 rate of 1.28.

Community

The Company's goal, at each of its operations worldwide, is to hire as much of its workforce as possible, including management teams, directly from the local region in which the operation is located. In 2016, the overall company average for local hiring was 76%. The Company believes that providing employment is one of the most significant contributions it can make to the communities in which it operates.

The Company continued its efforts in community development agreements in Nunavut. In 2015, the Meadowbank IIBA was renewed and the Meliadine IIBA was signed. In 2016, the Company continued its dialogue with First Nations in the Abitibi region. The Partnership has entered into negotiations with First Nations around the Kirkland Lake project and has also initiated a dialogue with First Nations in the Abitibi region.

The Canadian Malartic mine continued its contribution to the economic development fund (FEMO) which was established prior to mine development to diversify the local economy throughout the mine life so that the town of Malartic is well equipped to face the eventual mine closure. The Canadian Malartic mine has also participated in forums initiated by the town council on the future of the town of Malartic. Approximately 98% of the hiring in 2016 at the Canadian Malartic mine was from the local area.

In 2016, the Company continued its support of the Kivalliq Mine Training Society and for the unique upward mobility training program for Inuit employees developed at Meadowbank. This program provides training and career path opportunities for Inuit with limited education and work experience in the area of heavy equipment operations, mill operations and site services. Skills acquired through the program are easily transferable to other sectors of the Nunavut economy.

For the eighth 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 Filantrop?ia) and the Alliance for Social Responsibility of Enterprises (Alianza por la Responsabilidad Social Empresarial en Mexico). This certification recognizes the excellence of the social responsibility practices at the Pinos Altos mine.

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

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

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

In 2015, Environment Canada charged the Company with two infractions under the *Fisheries Act* in relation to a seepage incident at the Meadowbank mine that was identified during a July 2013 on-site inspection. Monitoring data indicated that the 2013 seepage event did not affect the water quality of the downstream Second Portage Lake. Discussions are underway to attempt to resolve the matter but, if unsuccessful, a trial would not likely occur until 2018.

In 2016, the Canadian Malartic mine received one non-compliance blast notice and 12 non-compliance noise notices (which includes notices received in instances where noise levels were otherwise within the municipal noise limits), a decrease from the 25 infractions received in 2015. The mine's team of on-site environmental experts continue to monitor regulatory

compliance in terms of approvals, permits and observance of directives and requirements and continue to implement improvement measures.

Critical IFRS Accounting Policies and Accounting Estimates

Agnico Eagle's significant IFRS accounting policies are disclosed in the Summary of Significant Accounting Policies note to the consolidated financial statements.

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. In making judgments about the carrying value of assets and liabilities, the Company uses estimates based on historical experience and assumptions that are considered reasonable in the circumstances. Although the Company evaluates its accounting estimates periodically, 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.

Derivative Instruments and Hedge Accounting

The Company uses derivative financial instruments (primarily option and forward contracts) to manage exposure to fluctuations in by-product metal prices, interest rates and foreign currency exchange rates and may use such means to manage exposure to certain input costs. The Company 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 and comprehensive income or in equity as a component of accumulated other comprehensive income, 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 at each reporting period. Realized gains and losses on those contracts that are proven to be effective are reported as a component of the related transaction.

Goodwill

Goodwill is recognized in a business combination if the cost of the acquisition exceeds the fair values of the identifiable net assets acquired. Goodwill is then allocated to the cash generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination. A CGU is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, the Company assesses for indicators of impairment at each reporting period end and, if an indicator of impairment is identified, goodwill is tested for impairment at that time. If the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount, an impairment loss is recognized. Goodwill impairment losses are not reversed.

The recoverable amount of a CGU or group of CGUs is measured as the higher of value in use and fair value less costs of disposal.

Mining Properties, Plant and Equipment and Mine Development Costs

Mining properties, plant and equipment and mine development costs are recorded at cost, less accumulated amortization and accumulated impairment losses.

Mining Properties

The cost of mining properties includes the fair value attributable to proven and probable mineral reserves and mineral resources acquired in a business combination or asset acquisition, underground mine development costs, deferred stripping, capitalized exploration and evaluation costs and capitalized borrowing costs.

Significant payments related to the acquisition of land and mineral rights are capitalized as mining properties at cost. If a mineable ore body is discovered, such costs are amortized to income when commercial production commences, using the

units-of-production method, based on estimated proven and probable mineral reserves. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined that the property has no future economic value. Cost components of a specific project that are included in the capital cost of the asset include salaries and wages directly attributable to the project, supplies and materials used in the project, and incremental overhead costs that can be directly attributable to the project.

Assets under construction are not amortized until the end of the construction period or once commercial production is achieved. Upon achieving the production stage, the capitalized construction costs are transferred to the appropriate category of plant and equipment.

Plant and Equipment

Expenditures for new facilities and improvements that can extend the useful lives of existing facilities are capitalized as plant and equipment at cost. The cost of an item of plant and equipment includes: its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and the estimate of the costs of dismantling and removing the item and restoring the site on which it is located other than costs that arise as a consequence of having used the item to produce inventories during the period.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income when the asset is derecognized.

Amortization of an asset begins when the asset is in the location and condition necessary for it to operate in the manner intended by management. Amortization ceases at the earlier of the date the asset is classified as held for sale or the date the asset is derecognized. Assets under construction are not amortized until the end of the construction period. Amortization is charged according to either the units-of-production method or on a straight-line basis, according to the pattern in which the asset's future economic benefits are expected to be consumed. The amortization method applied to an asset is reviewed at least annually.

Useful lives of property, plant and equipment are based on estimated mine lives as determined by proven and probable mineral reserves. Remaining mine lives at December 31, 2016 range from 1 to 18 years.

Mine Development Costs

Mine development costs incurred after the commencement of production are capitalized when they are expected to have a future economic benefit. Activities that are typically capitalized include costs incurred to build shafts, drifts, ramps and access corridors which enable the Company to extract ore underground.

The Company records amortization on underground mine development costs on a units-of-production basis based on the estimated tonnage of proven and probable mineral reserves of the identified component of the ore body. The units-of-production method defines the denominator as the total tonnage of proven and probable mineral reserves.

Deferred Stripping

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping.

During the development stage of the mine, stripping costs are capitalized as part of the cost of building, developing and constructing the mine and are amortized once the mine has entered the production stage.

During the production stage of a mine, stripping costs are recorded as a part of the cost of inventories unless these costs are expected to provide a future economic benefit and, in such cases, are capitalized to property, plant and mine development.

Production stage stripping costs provide a future economic benefit when:

- It is probable that the future economic benefit (e.g., improved access to the ore body) associated with the stripping activity will flow to the Company;
- The Company can identify the component of the ore body for which access has been improved; and

- The costs relating to the stripping activity associated with that component can be measured reliably.

Capitalized production stage stripping costs are amortized over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Borrowing Costs

Borrowing costs are capitalized to qualifying assets. Qualifying assets are assets that take a substantial period of time to prepare for the Company's intended use, which includes projects that are in the exploration and evaluation, development or construction stages.

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance costs in the period in which they are incurred. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the relevant borrowings during the period.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, including whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Leasing arrangements that transfer substantially all the risks and rewards of ownership of the asset to the Company are classified as finance leases. Finance leases are recorded as an asset with a corresponding liability at an amount equal to the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance costs using the effective interest rate method, whereby a constant rate of interest expense is recognized on the balance of the liability outstanding. The interest element of the lease is charged to the consolidated statement of income as a finance cost. An asset leased under a finance lease is amortized over the shorter of the lease term and its useful life.

All other leases are recognized as operating leases. Operating lease payments are recognized as an operating expense in the consolidated statements of income on a straight-line basis over the lease term.

Development Stage Expenditures

Development stage expenditures are costs incurred to obtain access to proven and probable mineral reserves and provide facilities for extracting, treating, gathering, transporting and storing the minerals. The development stage of a mine commences when the technical feasibility and commercial viability of extracting the mineral resource has been determined. Costs that are directly attributable to mine development are capitalized as property, plant and mine development to the extent that they are necessary to bring the property to commercial production.

Abnormal costs are expensed as incurred. Indirect costs are included only if they can be directly attributed to the area of interest. General and administrative costs are capitalized as part of the development expenditures when the costs are directly attributed to a specific mining development project.

Commercial Production

A mine construction project is considered to have entered the production stage when the mine construction assets are available for use. In determining whether mine construction assets are considered available for use, the criteria considered include, but are not limited to, the following:

- Completion of a reasonable period of testing mine plant and equipment;
- Ability to produce minerals in saleable form (within specifications); and
- Ability to sustain ongoing production of minerals.

When a mine construction project moves into the production stage, amortization commences, the capitalization of certain mine construction costs ceases and expenditures are either capitalized to inventories or expensed as incurred. Exceptions include costs incurred for additions or improvements to property, plant and mine development and open-pit stripping activities.

Impairment of Long-lived Assets

At the end of each reporting period the Company assesses whether there is any indication that long-lived assets may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. If it is not possible to estimate the recoverable amount of the individual asset, assets are grouped at the CGU level for the purpose of assessing the recoverable amount. An impairment loss is recognized for any excess of the carrying amount of the CGU over its recoverable amount. The impairment loss related to a CGU is first allocated to goodwill and the remaining loss is allocated on a pro-rata basis to the remaining long-lived assets of the CGU based on their carrying amounts.

Any impairment charge that is taken on a long-lived asset except goodwill is reversed if there are subsequent changes in the estimates or significant assumptions that were used to recognize the impairment loss that result in an increase in the recoverable amount of the CGU. If an indicator of impairment reversal has been identified, a recovery should be recognized to the extent the recoverable amount of the asset exceeds its carrying amount. The amount of the reversal is limited to the difference between the current carrying amount and the amount which would have been the carrying amount had the earlier impairment not been recognized and amortization of that carrying amount had continued. Impairments and subsequent reversals are recorded in the consolidated statement of income in the period in which they occur.

Reclamation Provisions

Asset retirement obligations ("AROs") arise from the acquisition, development and construction of mining properties and plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to tailings and heap leach pad closure and rehabilitation, demolition of buildings and mine facilities, ongoing water treatment and ongoing care and maintenance of closed mines. The Company recognizes an ARO at the time the environmental disturbance occurs or a constructive obligation is determined to exist based on the Company's best estimate of the timing and amount of expected cash flows expected to be incurred. When the ARO provision is recognized, the corresponding cost is capitalized to the related item of property, plant and mine development. Reclamation provisions that result from disturbance in the land to extract ore in the current period is included in the cost of inventories.

The timing of the actual environmental remediation expenditures is dependent on a number of factors such as the life and nature of the asset, the operating licence conditions and the environment in which the mine operates. Reclamation provisions are measured at the expected value of future cash flows discounted to their present value using a risk-free interest rate. AROs are adjusted each period to reflect the passage of time (accretion). Accretion expense is recorded in financing costs each period. Upon settlement of an ARO, the Company records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains or losses are recorded in the consolidated statements of income.

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.

Each reporting period, provisions for AROs are re-measured to reflect any changes to significant assumptions, including the amount and timing of expected cash flows and risk-free interest rates. Changes to the reclamation provision resulting from changes in estimate are added to or deducted from the cost of the related asset, except where the reduction of the reclamation provision exceeds the carrying value of the related assets in which case the asset is reduced to nil and the remaining adjustment is recognized in the consolidated statements of income.

Environmental remediation liabilities ("ERLs") are differentiated from AROs in that ERLs do not arise from environmental contamination in the normal operation of a long-lived asset or from a legal or constructive obligation to treat environmental contamination resulting from the acquisition, construction or development of a long-lived asset. The Company is required to recognize a liability for obligations associated with ERLs arising from past acts. ERLs are measured by discounting the expected related cash flows using a risk-free interest rate. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. Each reporting period, the Company assesses cost estimates and other assumptions used in the valuation of ERLs to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the value of the ERL. Any change in the value of ERLs results in a corresponding charge or credit to the consolidated statements of income. Upon settlement of an

ERL, the Company records a gain or loss if the actual cost differs from the carrying amount of the ERL in the consolidated statements of income.

Stock-based Compensation

The Company offers equity-settled awards (the employee stock option plan, incentive share purchase plan, restricted share unit plan and performance share unit plan) to certain employees, officers and directors of the Company.

Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the granting of options to directors, officers, employees and service providers to purchase common shares. Options have exercise prices equal to the market price on the day prior to the date of grant. The fair value of these options is recognized in the consolidated statements of income and comprehensive income or in the consolidated balance sheets if capitalized as part of property, plant and mine development over the applicable vesting period as a compensation cost. Any consideration paid by employees on exercise of options or purchase of common shares is credited to share capital.

Fair value is determined using the Black-Scholes option valuation model, which requires the Company to estimate the expected volatility of the Company's share price and the expected life of the stock options. Limitations with existing option valuation models and the inherent difficulties associated with estimating these variables create difficulties in determining a reliable single measure of the fair value of stock option grants. The cost is recorded over the vesting period of the award to the same expense category of the award recipient's payroll costs and the corresponding entry is recorded in equity. Equity-settled awards are not re-measured subsequent to the initial grant date. The dilutive impact of stock option grants is factored into the Company's reported diluted net income per share. The stock option expense incorporates an expected forfeiture rate, estimated based on expected employee turnover.

Incentive Share Purchase Plan ("ISPP")

Under the ISPP, directors (excluding non-executive directors), officers and employees (the participants) of the Company may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each participant's contribution. All common shares subscribed for under the ISPP are issued by the Company.

The Company records an expense equal to its cash contribution to the ISPP. No forfeiture rate is applied to the amounts accrued. Where an employee leaves prior to the vesting date, any accrual for contributions by the Company during the vesting period related to that employee is reversed.

Restricted Share Unit ("RSU") Plan

The RSU plan is open to directors and certain employees, including senior executives, of the Company. Common shares are purchased and held in a trust until they have vested. The cost is recorded over the vesting period of the award to the same expense category as the award recipient's payroll costs. The cost of the RSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Performance Share Unit ("PSU") Plan

The PSU plan is open to senior executives of the Company. Common shares are purchased and held in a trust until they have vested. PSUs are subject to vesting requirements based on specific performance measurements by the Company. The fair value for the portion of the PSUs related to market conditions is based on the application of pricing models at the grant date and the fair value for the portion related to non-market conditions is based on the market value of the shares at the grant date. Compensation expense is based on the current best estimate of the outcome for the specific performance measurement established by the Company and is recognized over the vesting period based on the number of PSUs estimated to vest.

Revenue Recognition

Revenue from mining operations consists of gold revenues, net of smelting, refining, transportation and other marketing charges. Revenues from by-product metal sales are shown net of smelter charges as part of revenues from mining operations.

Revenue from the sale of gold and silver is recognized when the following conditions have been met:

- The Company has transferred to the buyer the significant risks and rewards of ownership;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 of the gold and silver in the form of dore bars recovered in the Company's milling process is sold in the period in which it is produced.

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 the risks and rewards of ownership of the 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.

Income Taxes

Current and deferred tax expenses are recognized in the consolidated statements of income except to the extent that they relate to a business combination, or to items recognized directly in equity or in other comprehensive income (loss).

Current tax expense is based on substantively enacted statutory tax rates and laws at the consolidated balance sheet date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax basis of such assets and liabilities measured using tax rates and laws that are substantively enacted at the consolidated balance sheet date and effective for the reporting period when the temporary differences are expected to reverse.

Deferred taxes are not recognized in the following circumstances:

- Where a deferred tax liability arises from the initial recognition of goodwill;
- Where a deferred tax asset or liability arises on the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither net income or taxable profits; and
- For temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses and tax credits carried forward and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized except as noted above.

At each reporting period, previously unrecognized deferred tax assets are reassessed to determine whether it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Recently Issued Accounting Pronouncements

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but the provision of comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Company plans to adopt the new standard on the required effective date.

During 2016, the Company performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analysis or additional reasonable and supportable information being made available to the Company in the future. Overall, there is no significant impact expected on the balance sheet or statement of equity from the adoption of IFRS 9.

Classification and measurement

The only change in IFRS 9 in respect of the classification of financial liabilities is that for those designated at fair value through profit or loss ("FVTPL"), fair value changes attributable to the Company's own credit risk are presented in OCI. IFRS 9 introduces a new model for classifying financial assets. The standard introduces principle-based requirements for the classification of financial assets, using the following measurement categories:

- Debt instruments at amortized cost;
- Debt instruments at fair value through OCI ("FVOCI") with cumulative gains and losses reclassified to profit or loss upon derecognition;
- Debt instruments, derivatives and equity instruments at FVTPL; and
- Equity instruments designated at FVOCI with no recycling of gains and losses upon derecognition.

The Company is still evaluating its different financial assets to ensure appropriate classification under IFRS 9.

Impairment

The new impairment requirements are based on a forward-looking expected credit loss model. The model applies to debt instruments measured at amortized cost or at FVOCI, as well as lease receivables, trade receivables, contracts assets (as defined in IFRS 15), and loan commitments and financial guarantee contracts that are not at fair value through profit or loss. The Company does not hold significant amounts of these types of financial assets and therefore does not expect these changes to have a significant impact.

Hedge accounting

The changes in IFRS 9 relating to hedge accounting will have no impact as the Company does not currently apply hedge accounting.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

The Company plans to adopt the new standard (including the clarifications issued by the IASB in April 2016) on the required effective date. During 2016, the Company commenced its preliminary assessment of IFRS 15 and some of the key issues it has identified, and its initial views and perspectives, are set out below. These are based on the work completed to date and the Company's current interpretation of IFRS 15 and may be subject to changes as more detailed analysis is completed and as interpretations evolve more generally. Furthermore, the Company is considering and will continue to monitor any further development. To date, the following issues set out immediately below were identified by the Company as requiring consideration.

Provisionally priced sales

Some of the Company's sales of metal in concentrate contain provisional pricing features. Under IAS 18, revenue is recognized under these contracts based on forward prices at the time of delivery, which is when the risks and rewards of ownership of the concentrate pass to the 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 is currently evaluating the accounting treatment of these contracts under IFRS 15. The impact is expected to be immaterial. In 2016, revenue from concentrate sales contracts was approximately 0.7% of total revenue.

Other presentation and disclosure requirements

IFRS 15 contains presentation and disclosure requirements which are more detailed than the current standards. The presentation requirements represent a significant change from current practice and will increase the volume of disclosures required in the financial statements. Many of the disclosure requirements in IFRS 15 are completely new. In 2016, the Company started to consider the systems, internal controls, policies and procedures necessary to collect and disclose the required information.

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16 – Leases which brings most leases on-balance sheet for lessees by eliminating the distinction between operating and finance leases. Lessor accounting remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16, a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease. Lessees are permitted to make an accounting policy election, by class of underlying asset, to apply a method like IAS 17's operating lease accounting and not recognize lease assets and lease liabilities for leases with a lease term of 12 months or less and on a lease-by-lease basis, to apply a method similar to current operating lease accounting to leases for which the underlying asset is of low value. IFRS 16 supersedes IAS 17 – Leases and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 has also been applied. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. In 2017, the Company plans to assess the potential effect of IFRS 16 on its consolidated financial statements.The Company plans to adopt the new standard on the required effective date.

Mineral Reserve Data

The scientific and technical information set out in this MD&A has been approved by the following "qualified persons" as defined under the CSA's National Instrument 43-101 Standards of Disclosure for Mineral Properties: mineral reserves and mineral resources (other than for the Canadian Malartic mine) – Daniel Doucet, Eng., Senior Corporate Director, Reserve Development; mineral reserves and mineral resources (for the Canadian Malartic mine) – Donald Gervais, P.Geo., Director of Technical Services at Canadian Malartic Corporation and Sylvie Lampron, Eng., Principal Engineer at Canadian Malartic Corporation; Quebec operations – Christian Provencher, Eng., Vice-President, Canada; Nunavut operations – Dominique Girard, Eng., Vice-President, Nunavut Operations; Kittila operations – Francis Brunet, Eng., Corporate Director, Mining; Southern Business operations – Carol Plummer, Eng., Vice-President, Project Development, Southern Business; environmental – Louise Grondin P.Eng., Senior Vice-President, Environment, Sustainable Development and People; metallurgy – Paul Cousin, Eng., Vice-President, Metallurgy; and Exploration – Guy Gosselin, Eng., Vice-President, Exploration. The Company's mineral reserves estimate was derived from internally generated data or geology reports.

The assumptions used for the mineral reserve estimates at all mines and projects reported in this MD&A (except the Canadian Malartic mine, the Meliadine mine project and the Upper Beaver project) as at December 31, 2016 are $1,150 per ounce gold, $16.50 per ounce silver, $0.95 per pound zinc and $2.15 per pound copper. Foreign exchange rates assumptions of C$1.20 per US$1.00, €0.91 per US$1.00 and 16.00 Mexican pesos per US$1.00 were used for all mines and projects other than the Lapa and Meadowbank mines in Canada, the Creston Mascota deposit at Pinos Altos, and Santo Nino pit at the Pinos Altos mine in Mexico, which used foreign exchange rates assumptions of C$1.30 per US$1.00 and 16.00 Mexican pesos per US$1.00 (other assumptions unchanged) due to their shorter remaining mine lives.

At the Meliadine mine project, the assumptions remained the same as at December 2015, which were $1,100 per ounce gold and a foreign exchange rate of C$1.16 per US$1.00.

The Canadian Malartic General Partnership (the "Partnership"), owned by Agnico Eagle (50%) and Yamana Gold Inc. ("Yamana") (50%), which owns and operates the Canadian Malartic mine, and the Canadian Malartic Corporation ("CMC"), owned by Agnico Eagle (50%) and Yamana (50%), which owns and manages the Upper Beaver project in Kirkland Lake, have estimated the December 2016 mineral reserves of the Canadian Malartic mine and the Upper Beaver project using the following assumptions: $1,200 per ounce gold and $2.75 per pound copper; a cut-off grade at the Canadian Malartic mine

between 0.33 g/t and 0.37 g/t gold (depending on the deposit); a C$125/tonne net smelter return (NSR) for the Upper Beaver project; and an foreign exchange rate of C$1.25 per US$1.00.

Proven and Probable Mineral Reserves by Property [(i)]	**Tonnes**	**Gold Grade (Grams per Tonne)**	**Contained Gold (Ounces)**[(ii)]
	(thousands)		***(thousands)***
Proven Mineral Reserves			
LaRonde mine (not including Zone 5)	5,833	4.91	921
LaRonde Zone 5	2,836	2.12	194
Lapa mine	259	4.58	38
Goldex mine	294	1.47	14
Meadowbank mine	1,704	1.75	96
Canadian Malartic mine (attributable 50.0%)	25,560	0.95	785
Meliadine mine project	34	7.31	8
Kittila mine	1,148	4.19	155
Pinos Altos mine	3,512	2.69	304
Creston Mascota deposit at Pinos Altos	65	0.94	2
La India mine	213	0.61	4
Total Proven Mineral Reserves	41,458	1.89	2,520
Probable Mineral Reserves			
LaRonde mine (not including Zone 5)	11,758	5.64	2,132
LaRonde Zone 5	3,429	2.08	230
Goldex mine	16,507	1.64	872
Akasaba project	4,942	0.89	142
Meadowbank mine	6,515	2.94	615
Canadian Malartic mine (attributable 50.0%)	76,274	1.13	2,764
Meliadine mine project	14,495	7.32	3,410
Upper Beaver project	3,996	5.43	698
Kittila mine	28,907	4.65	4,325
Pinos Altos mine	13,889	2.51	1,120
Creston Mascota deposit at Pinos Altos	2,426	1.29	100
La India mine	43,756	0.72	1,016
Total Probable Mineral Reserves	226,895	2.39	17,423

Total Proven and Probable Mineral Reserves	268,353	2.31	19,943

Notes:

(i) Complete information on the verification procedures, quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information presented in this MD&A and definitions of certain terms used herein may be found in: the AIF under the heading "Information on Mineral Reserves and Mineral Resources of the Company"; the Technical Report on the 2005 LaRonde Mineral Resource & Mineral Reserve Estimate filed with Canadian securities regulatory authorities on SEDAR on March 23, 2005; the Technical Report on the Lapa Gold Project, Cadillac Township, Quebec, Canada filed with

Canadian securities regulatory authorities on SEDAR on June 8, 2006; the Technical Report on the December 31, 2009, Mineral Resource and Mineral Reserve Estimate and the Suuri Extension Project, Kittila Mine, Finland filed with the Canadian securities regulatory authorities on SEDAR on March 4, 2010; the Technical Report on the Mineral Resources and Mineral Reserves at Meadowbank Gold 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 Updated Technical Report on the Meliadine Gold Project, Nunavut, Canada dated February 11, 2015 filed with Canadian securities regulatory authorities on SEDAR on March 12, 2015; the Technical Report on the June 30, 2012 Update of the Mineral Resources and Mineral Reserves, La India Gold Project, Municipality of Sahuaripa, Sonora, Mexico dated August 31, 2012 filed with Canadian securities regulatory authorities on SEDAR on October 12, 2012; the Technical Report on Production of the M and E Zones at Goldex Mine dated October 14, 2012 filed with the Canadian securities regulatory authorities on SEDAR on November 1, 2012; and the Technical Report on the Mineral Resource and Mineral Reserve Estimates for the Canadian Malartic Property as at June 16, 2014 filed with Canadian securities regulatory authorities on SEDAR on August 13, 2014.

(ii) Total contained gold ounces does not include equivalent gold ounces for the by-product metals contained in the mineral reserves.

Non-GAAP Financial Performance Measures

This MD&A presents certain financial performance measures, including adjusted net income, total cash costs per ounce of gold produced (on both a by-product and co-product basis), minesite costs per tonne and all-in sustaining costs per ounce of gold produced (on both a by-product and co-product basis), that are not recognized measures under IFRS. This data may not be comparable to data presented by other gold producers. Non-GAAP financial performance measures should be considered together with other data prepared in accordance with IFRS.

Adjusted Net Income

Adjusted net income is not a recognized measure under IFRS and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting net income as recorded in the consolidated statements of income and comprehensive income for non-recurring, unusual and other items. The Company believes that this generally accepted industry measure allows the evaluation of the results of continuing operations and is useful in making comparisons between periods. Adjusted net income is intended to provide investors with information about the Company's continuing income generating capabilities. Management uses this measure to monitor and plan for the operating performance of the Company in conjunction with other data prepared in accordance with IFRS.

	2016	2015[(i)]	2014[(i)]
	(thousands of United States dollars)		
Net income for the period – basic	$ 158,824	$ 24,583	$ 82,970
Less: Dilutive impact of CMGP Convertible Debentures [(ii)]	–	–	(7,345)
Net income for the period – diluted	$ 158,824	$ 24,583	$ 75,625
Impairment loss on available-for-sale securities	–	12,035	15,763
Gain on sale of available-for-sale securities	(3,500)	(24,600)	(5,635)
Foreign currency translation loss (gain)	13,157	(4,728)	3,781
(Gain) loss on derivative financial instruments	(9,468)	19,608	6,156
Mark-to-market loss (gain) on CMGP Convertible Debentures [(iii)]	–	2,416	(7,995)
Gain on impairment reversal, net of tax	(81,210)	–	–
Income and mining taxes adjustments [(iv)]	4,755	24,742	23,323
Other[(v)]	26,963	19,442	5,832
Adjusted net income for the period – basic	$ 109,521	$ 73,498	$ 124,195
Adjusted net income for the period – diluted	$ 109,521	$ 73,498	$ 116,850
Net income per share – basic	$ 0.71	$ 0.11	$ 0.43
Net income per share – diluted	$ 0.70	$ 0.11	$ 0.39
Adjusted net income per share – basic	$ 0.49	$ 0.34	$ 0.64
Adjusted net income per share – diluted	$ 0.49	$ 0.34	$ 0.60

Notes:

(i) Beginning in 2016, the Company decided to exclude stock based compensation expense from the calculation of adjusted net income. Adjusted net income for the years ended December 31, 2015 and 2014 have been restated to reflect this change. Stock option expense for the year ended December 31, 2016 was $16.3 million (2015 – $19.5 million; 2014 – $20.1 million).

(ii) In connection with the joint acquisition of Osisko on June 16, 2014, Agnico Eagle indirectly assumed its attributable interest in the senior unsecured convertible debentures previously issued by Osisko and assumed by Canadian Malartic GP (the "CMGP Convertible Debentures"). On June 30, 2015, the negotiated early settlement of all the CMGP Convertible Debentures was completed, resulting in principal outstanding of nil. The impact of the CMGP Convertible Debentures has been included in the calculation of diluted net income, diluted adjusted net income, diluted net income per share and diluted adjusted net income per share where dilutive and has been excluded from the calculation of diluted net income, diluted adjusted net income, diluted net income per share and diluted adjusted net income per share where anti-dilutive. The dilutive impact of the CMGP Convertible Debentures was excluded from the calculation of diluted net income, diluted adjusted net income, diluted net income per share and diluted adjusted net income per share for the year ended December 31, 2015 as their impact would have been anti-dilutive for the portion of the year they were outstanding.

(iii) Where the impact of the CMGP Convertible Debentures is dilutive, the adjustment for mark-to-market loss (gain) on CMGP Convertible Debentures is excluded from the calculation of adjusted net income for the period on a diluted basis as it is already incorporated in the calculation of net income for the period on a diluted basis.

(iv) Income and mining tax adjustments reflect foreign currency translation recorded to the income and mining taxes expense, recognition of previously unrecognized capital losses, the result of income and mining tax audits, impact of tax law changes and reflective adjustments to prior period operating results.

(v) The Company includes certain adjustments in "Other" to the extent that management believes that these items are not reflective of the underlying performance of the Company's core operating business. Examples of items historically included in "Other" include changes in estimates of asset retirement obligations at closed sites, gains and losses on the disposal of assets and other non-recurring items. For the year ended December 31, 2015, the "Other" line item also included adjustments for a catch-up of amortization expense related to the finalization of the acquisition date fair value estimates of depreciable mining properties included in the purchase price allocation of the Company's June 16, 2014 joint acquisition of Osisko; and payments made related to the June 30, 2015 negotiated early settlement of the CMGP Convertible Debentures that were assumed by CMGP in connection with the Company's joint acquisition of Osisko.

Total Cash Costs per Ounce of Gold Produced and Minesite Costs per Tonne

The Company believes that total cash costs per ounce of gold produced and minesite costs per tonne are realistic indicators of operating performance and facilitate period over period comparisons. However, both of these non-GAAP generally accepted industry measures should be considered together with other data prepared in accordance with IFRS. These measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

Total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (before deducting by-product metal revenues). Total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income and comprehensive income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. Total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as total cash costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. Total cash costs per ounce of gold produced is intended to provide information about the cash generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash cost per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs per ounce of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with IFRS. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

Agnico Eagle's primary business is gold production and the focus of its current operations and future development is on maximizing returns from gold production, with other metal production being incidental to the gold production process. Accordingly, all metals other than gold are considered by-products.

Total cash costs per ounce of gold produced is reported on a by-product basis because (i) the majority of the Company's revenues are gold revenues, (ii) the Company mines ore, which contains gold, silver, zinc, copper and other metals, (iii) it is not possible to specifically assign all costs to revenues from the gold, silver, zinc, copper and other metals the Company produces, and (iv) it is a method used by management and the Board to monitor operations.

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

The following tables set out a reconciliation of total cash costs per ounce of gold produced (on both a by-product basis and co-product basis) and minesite costs per tonne to production costs, exclusive of amortization, as presented in the consolidated statements of income and comprehensive income (loss) in accordance with IFRS.

Total Production Costs by Mine

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
(thousands of United States dollars)			
LaRonde mine	$ 179,496	$ 172,283	$ 188,736
Lapa mine	52,974	52,571	61,056
Goldex mine	63,310	61,278	64,836
Meadowbank mine	218,963	230,564	270,824
Canadian Malartic mine[(i)]	183,635	171,473	113,916
Kittila mine	141,871	126,095	116,893
Pinos Altos mine	114,557	105,175	123,342
Creston Mascota deposit at Pinos Altos	27,341	26,278	28,007
La India mine[(ii)]	49,745	49,578	36,949
Production costs per the consolidated statements of income and comprehensive income	$ 1,031,892	$ 995,295	$ 1,004,559

Reconciliation of Production Costs to Total Cash Costs per Ounce of Gold Produced [(iii)] by Mine and Reconciliation of Production Costs to Minesite Costs per Tonne[(iv)] by Mine

(***thousands of United States dollars, except as noted)***

LaRonde Mine Per Ounce of Gold Produced[(iii)]	**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		305,788		267,921		204,652
Production costs	$ 179,496	$ 587	$ 172,283	$ 643	$ 188,736	$ 922
Inventory and other adjustments[(v)]	24,914	81	31,417	117	27,070	133
Cash operating costs (co-product basis)	$ 204,410	$ 668	$ 203,700	$ 760	$ 215,806	$ 1,055
By-product metal revenues	(51,136)	(167)	(45,678)	(170)	(79,015)	(387)
Cash operating costs (by-product basis)	$ 153,274	$ 501	$ 158,022	$ 590	$ 136,791	$ 668

LaRonde Mine Per Tonne[(iv)]	**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		2,240		2,241		2,085
Production costs	$ 179,496	$ 80	$ 172,283	$ 77	$ 188,736	$ 91
Production costs (C$)	C$ 237,934	C$ 106	C$ 218,649	C$ 98	C$ 208,222	C$ 100

Inventory and other adjustments (C$)[vi]		(1,447)	–	4,150	1	(1,364)	(1)	
Minesite operating costs (C$)	C$	236,487	C$ 106	C$ 222,799	C$ 99	C$ 206,858	C$ 99	

Lapa Mine **Per Ounce of Gold Produced[iii]**	**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		73,930		90,967		92,622
Production costs	$ 52,974	$ 717	$ 52,571	$ 578	$ 61,056	$ 659
Inventory and other adjustments[v]	1,173	15	1,161	13	750	8
Cash operating costs (co-product basis)	$ 54,147	$ 732	$ 53,732	$ 591	$ 61,806	$ 667
By-product metal revenues	(28)	–	(62)	(1)	(61)	–
Cash operating costs (by-product basis)	$ 54,119	$ 732	$ 53,670	$ 590	$ 61,745	$ 667

Lapa Mine **Per Tonne[iv]**	**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		593		560		639
Production costs	$ 52,974	$ 89	$ 52,571	$ 94	$ 61,056	$ 96
Production costs (C$)	C$ 69,941	C$ 118	C$ 66,396	C$ 119	C$ 67,280	C$ 105
Inventory and other adjustments (C$)[vi]	1,580	3	(710)	(2)	848	2
Minesite operating costs (C$)	C$ 71,521	C$ 121	C$ 65,686	C$ 117	C$ 68,128	C$ 107

Goldex Mine **Per Ounce of Gold Produced[iii]**	**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		120,704		115,426		100,433
Production costs	$ 63,310	$ 525	$ 61,278	$ 531	$ 64,836	$ 646
Inventory and other adjustments[v]	912	7	878	7	(720)	(8)
Cash operating costs (co-product basis)	$ 64,222	$ 532	$ 62,156	$ 538	$ 64,116	$ 638
By-product metal revenues	(26)	–	(23)	–	(20)	–
Cash operating costs (by-product basis)	$ 64,196	$ 532	$ 62,133	$ 538	$ 64,096	$ 638

Goldex Mine **Per Tonne[iv]**	**Year Ended December 31, 2016**	**Year Ended December 31, 2015**	**Year Ended December 31, 2014**

		(thousands)	*($ per tonne)*		*(thousands)*	*($ per tonne)*		*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)			2,545			2,313			2,117
Production costs	$	63,310	25	$	61,278	26	$	64,836	31
Production costs (C$)	C$	83,835	33	C$	77,589	34	C$	71,359	34
Inventory and other adjustments (C$)[(vi)]		1,231	–		(1,181)	(1)		(631)	(1)
Minesite operating costs (C$)	C$	85,066	33	C$	76,408	33	C$	70,728	33

Meadowbank Mine **Per Ounce of Gold Produced[iii]**	**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		312,214		381,804		452,877
Production costs	$ 218,963	$ 701	$ 230,564	$ 604	$ 270,824	$ 598
Inventory and other adjustments[v]	8,105	26	7,282	19	2,688	6
Cash operating costs (co-product basis)	$ 227,068	$ 727	$ 237,846	$ 623	$ 273,512	$ 604
By-product metal revenues	(3,837)	(12)	(3,665)	(10)	(2,420)	(5)
Cash operating costs (by-product basis)	$ 223,231	$ 715	$ 234,181	$ 613	$ 271,092	$ 599

Meadowbank Mine **Per Tonne[iv]**	**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		3,915		4,033		4,129
Production costs	$ 218,963	$ 56	$ 230,564	$ 57	$ 270,824	$ 66
Production costs (C$)	C$ 284,748	C$ 73	C$ 285,023	C$ 71	C$ 295,547	C$ 72
Inventory and other adjustments (C$)[vi]	5,681	1	(4,073)	(1)	5,088	1
Minesite operating costs (C$)	C$ 290,429	C$ 74	C$ 280,950	C$ 70	C$ 300,635	C$ 73

Canadian Malartic Mine **Per Ounce of Gold Produced[i][iii]**	**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		292,514		285,809		143,008
Production costs	$ 183,635	$ 628	$ 171,473	$ 600	$ 113,916	$ 797
Inventory and other adjustments[v]	(553)	(2)	3,630	13	(10,862)	(76)
Cash operating costs (co-product basis)	$ 183,082	$ 626	$ 175,103	$ 613	$ 103,054	$ 721
By-product metal revenues	(5,821)	(20)	(4,689)	(17)	(2,771)	(20)
Cash operating costs (by-product basis)	$ 177,261	$ 606	$ 170,414	$ 596	$ 100,283	$ 701

Canadian Malartic Mine **Per Tonne[i][iv]**	**Year Ended December 31, 2016**	**Year Ended December 31, 2015**	**Year Ended December 31, 2014**

		(thousands)	*($ per tonne)*		*(thousands)*	*($ per tonne)*		*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)			9,821			9,545			5,263
Production costs	$	183,635	19	$	171,473	18	$	113,916	22
Production costs (C$)	C$	244,333	25	C$	222,717	23	C$	122,933	23
Inventory and other adjustments (C$)[vi]		(3,399)	–		(3,003)	–		(9,115)	(1)
Minesite operating costs (C$)	C$	240,934	25	C$	219,714	23	C$	113,818	22

Kittila Mine **Per Ounce of Gold Produced[iii]**		**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
		(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)			202,508		177,374		141,742
Production costs	$	141,871 $	701 $	126,095 $	711 $	116,893 $	825
Inventory and other adjustments[v]		(26)	(1)	(187)	(1)	3,051	21
Cash operating costs (co-product basis)	$	141,845 $	700 $	125,908 $	710 $	119,944 $	846
By-product metal revenues		(200)	(1)	(155)	(1)	(124)	(1)
Cash operating costs (by-product basis)	$	141,645 $	699 $	125,753 $	709 $	119,820 $	845

Kittila Mine **Per Tonne[iv]**		**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
		(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)			1,667		1,464		1,156
Production costs	$	141,871 $	85 $	126,095 $	86 $	116,893 $	101
Production costs (€)	€	128,599 €	77 €	112,285 €	77 €	88,744 €	77
Inventory and other adjustments (€)[vi]		(505)	–	(956)	(1)	1,243	1
Minesite operating costs (€)	€	128,094 €	77 €	111,329 €	76 €	89,987 €	78

Pinos Altos Mine **Per Ounce of Gold Produced[iii]**		**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
		(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)			192,772		192,974		171,019
Production costs	$	114,557 $	594 $	105,175 $	545 $	123,342 $	721
Inventory and other adjustments[v]		(1,840)	(9)	6,458	33	(581)	(3)
Cash operating costs (co-product basis)	$	112,717 $	585 $	111,633 $	578 $	122,761 $	718
By-product metal revenues		(44,118)	(229)	(37,030)	(191)	(31,643)	(185)
Cash operating costs (by-product basis)	$	68,599 $	356 $	74,603 $	387 $	91,118 $	533

Pinos Altos Mine **Per Tonne[iv]**		**Year Ended December 31, 2016**		**Year Ended December 31, 2015**		**Year Ended December 31, 2014**	
		(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)			2,260		2,378		2,520
Production costs	$	114,557 $	51 $	105,175 $	44 $	123,342 $	49

Inventory and other adjustments [vi]		(3,698)	(2)		2,481	1	(2,376)	(1)
Minesite operating costs	$	110,859	$ 49	$	107,656	$ 45	$ 120,966	$ 48

Creston Mascota deposit at Pinos Altos Per Ounce of Gold Produced[iii]	Year Ended December 31, 2016		Year Ended December 31, 2015		Year Ended December 31, 2014	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		47,296		54,703		47,842
Production costs	$ 27,341	$ 578	$ 26,278	$ 480	$ 28,007	$ 585
Inventory and other adjustments[v]	472	10	(328)	(6)	1,232	26
Cash operating costs (co-product basis)	$ 27,813	$ 588	$ 25,950	$ 474	$ 29,239	$ 611
By-product metal revenues	(3,426)	(72)	(2,412)	(44)	(1,574)	(33)
Cash operating costs (by-product basis)	$ 24,387	$ 516	$ 23,538	$ 430	$ 27,665	$ 578

Creston Mascota deposit at Pinos Altos Per Tonne[iv]	Year Ended December 31, 2016		Year Ended December 31, 2015		Year Ended December 31, 2014	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		2,119		2,099		1,794
Production costs	$ 27,341	$ 13	$ 26,278	$ 13	$ 28,007	$ 16
Inventory and other adjustments[vi]	(77)	–	(757)	(1)	870	–
Minesite operating costs	$ 27,264	$ 13	$ 25,521	$ 12	$ 28,877	$ 16

La India Mine Per Ounce of Gold Produced[ii][iii]	Year Ended December 31, 2016		Year Ended December 31, 2015		Year Ended December 31, 2014	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)[ii]		115,162		104,362		71,601
Production costs	$ 49,745	$ 432	$ 49,578	$ 475	$ 36,949	$ 516
Inventory and other adjustments[v]	4,189	36	(28)	–	1,172	16
Cash operating costs (co-product basis)	$ 53,934	$ 468	$ 49,550	$ 475	$ 38,121	$ 532
By-product metal revenues	(8,453)	(73)	(4,058)	(39)	(3,230)	(45)
Cash operating costs (by-product basis)	$ 45,481	$ 395	$ 45,492	$ 436	$ 34,891	$ 487

La India Mine Per Tonne[ii][iv]	Year Ended December 31, 2016		Year Ended December 31, 2015		Year Ended December 31, 2014	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		5,837		5,371		4,442
Production costs	$ 49,745	$ 9	$ 49,578	$ 9	$ 36,949	$ 8
Inventory and other adjustments[vi]	2,909	–	(657)	–	778	–

Minesite operating costs	$	52,654	$	9	$	48,921	$	9	$	37,727	$	8

Notes:

(i) On June 16, 2014, Agnico Eagle and Yamana jointly acquired 100% of Osisko by way of the Osisko Arrangement. As a result of the Osisko Arrangement, Agnico Eagle and Yamana each indirectly own 50% of Osisko (now Canadian Malartic Corporation) and Canadian Malartic GP, which now holds the Canadian Malartic mine. The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine since the date of acquisition.

(ii) The La India mine achieved commercial production on February 1, 2014. The calculation of total cash costs per ounce of gold produced for the year ended December 31, 2014 excludes 3,492 ounces of payable gold production as they were produced prior to the achievement of commercial production.

(iii) Total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. Total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (before deducting by-product metal revenues). Total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income and comprehensive income for by-product metal revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. Total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as total cash costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The Company believes that these generally accepted industry measures provide a realistic indication of operating performance and provide useful comparison points between periods. Total cash costs per ounce of gold produced is intended to provide information about the cash generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

(iv) Minesite costs per tonne is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. This measure is calculated by adjusting production costs as shown in the consolidated statements of income and comprehensive income for inventory production costs, and then dividing by tonnes of ore milled. As the total cash costs per ounce of gold produced measure can be affected by fluctuations in by-product 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 IFRS.

(v) Under the Company's revenue recognition policy, revenue is recognized when legal title and risk is transferred. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the sales margin on the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.

(vi) This inventory and other adjustment reflects production costs associated with the portion of production still in inventory.

All-in Sustaining Costs per Ounce of Gold Produced

All-in sustaining costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. The Company believes that this measure provides information about operating performance. However, this non-GAAP measure should be considered together with other data prepared in accordance with IFRS as it is not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

Based on the recommendations of the World Gold Council made in 2013, the Company modified its calculation of all-in sustaining costs per ounce of gold produced beginning in 2014. All-in sustaining costs per ounce of gold produced is presented on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (before deducting by-product metal revenues). All-in sustaining costs per ounce of gold produced on a by-product basis is calculated as the aggregate of total cash costs per ounce of gold produced on a by-product basis and sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options) and non-cash reclamation provision expense per ounce of gold produced. All-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as all-in sustaining costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made to total cash costs per ounce of gold produced. The calculation of all-in sustaining costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals.

Prior to modifying its calculation of all-in sustaining costs per ounce of gold produced for 2014 based on the recommendations of the World Gold Council, the Company calculated all-in sustaining costs per ounce of gold produced on a by-product basis as the aggregate of total cash costs per ounce of gold produced on a by-product basis and sustaining capital expenditures, general and administrative expenses (net of stock options) and exploration and corporate development expenses (excluding greenfield exploration) per ounce of gold produced. All-in sustaining costs per ounce of gold produced on a co-product basis would have been calculated in the same manner as all-in sustaining costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues, net of smelting, refining and marketing charges would have been made to total cash costs per ounce of gold produced.

Reconciliation of Production Costs to All-in Sustaining Costs per Ounce of Gold Produced

(United States dollars per ounce of gold produced, except where noted)	**Year Ended December 31, 2016**	**Year Ended December 31, 2015**	**Year Ended December 31, 2014**
Production costs per the consolidated statements of income and comprehensive income (thousands of United States dollars)	$1,031,892	$995,295	$1,004,559
Adjusted gold production (ounces) [(i)]	1,662,888	1,671,340	1,425,796
Production costs per ounce of adjusted gold production [(i)]	$621	$596	$705
Adjustments:			
Inventory and other adjustments [(ii)]	22	30	16
Total cash costs per ounce of gold produced (co-product basis) [(iii)]	$643	$626	$721
By-product metal revenues	(70)	(59)	(84)
Total cash costs per ounce of gold produced (by-product basis) [(iii)]	$573	$567	$637
Adjustments:			
Sustaining capital expenditures (including capitalized exploration)	187	183	230
General and administrative expenses (including stock options)	62	58	83
Non-cash reclamation provision and other	2	2	4
All-in sustaining costs per ounce of gold produced (by-product basis)	$824	$810	$954
By-product metal revenues	70	59	84
All-in sustaining costs per ounce of gold produced (co-product basis)	$894	$869	$1,038

Notes:

(i) The La India mine achieved commercial production on February 1, 2014. The calculations of total cash costs per ounce of gold produced and all-in sustaining costs per ounce of gold produced for the year ended December 31, 2014 excludes 3,492 ounces of payable gold production as they were produced prior to the achievement of commercial production.

(ii) Under the Company's revenue recognition policy, revenue is recognized 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 production not yet recognized as revenue.

(iii) Total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data presented by other gold producers. Total cash costs per ounce of gold produced is presented on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (before deducting by-product metal revenues). Total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income and comprehensive income for by-product metal revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. Total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as total cash costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The Company believes that these generally accepted industry measures provide a realistic indication of operating performance and provide useful comparison points between periods. Total cash costs per ounce of gold produced is intended to provide information about the cash generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. Management also performs sensitivity 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, 2016	**June 30, 2016**	**September 30, 2016**	**December 31, 2016**	**Total 2016**
Operating margin[(i)]:					
Revenues from mining operations	$ 490,531	$ 537,628	$ 610,863	$ 499,210	$ 2,138,232
Production costs	243,973	255,436	277,371	255,112	1,031,892
Total operating margin[(i)]	246,558	282,192	333,492	244,098	1,106,340
Operating margin[(i)] by mine:					
Northern Business					
LaRonde mine	48,055	54,985	61,587	44,058	208,684
Lapa mine	10,806	14,437	10,181	3,762	39,186
Goldex mine	22,184	22,896	27,834	13,506	86,420
Meadowbank mine	33,329	34,733	46,190	50,807	165,060
Canadian Malartic mine[(ii)]	41,740	50,133	55,981	40,430	188,285
Kittila mine	24,086	22,079	36,714	27,596	110,475
Southern Business					
Pinos Altos mine	35,820	48,392	60,699	34,909	179,820
Creston Mascota deposit at Pinos Altos	8,989	9,719	10,448	6,470	35,626
La India mine	21,549	24,818	23,858	22,560	92,784
Total operating margin[(i)]	246,558	282,192	333,492	244,098	1,106,340
Gain on impairment reversal	–	–	–	(120,161)	(120,161)
Amortization of property, plant and mine development	145,631	154,658	161,472	151,399	613,160
Exploration, corporate and other	73,730	89,624	84,079	97,447	344,880
Income before income and mining taxes	27,197	37,910	87,941	115,413	268,461
Income and mining taxes (recovery)	(591)	18,920	38,549	52,759	109,637
Net income for the period	$ 27,788	$ 18,990	$ 49,392	$ 62,654	$ 158,824
Net income per share – basic (US$)	$ 0.13	$ 0.09	$ 0.22	$ 0.28	$ 0.71
Net income per share – diluted (US$)	$ 0.13	$ 0.08	$ 0.22	$ 0.28	$ 0.70
Cash flows:					
Cash provided by operating activities	$ 145,704	$ 229,456	$ 282,856	$ 120,601	$ 778,617
Cash used in investing activities	$ (107,595)	$ (122,651)	$ (142,701)	$ (180,543)	$ (553,490)
Cash (used in) provided by financing activities	$ (1,588)	$ 199,494	$ 11,840	$ (19,360)	$ 190,386

Realized prices (US$):

Gold (per ounce)	$ 1,192	$ 1,268	$ 1,332	$ 1,196	$ 1,249
Silver (per ounce)	$ 15.09	$ 17.21	$ 19.52	$ 16.76	$ 17.28
Zinc (per tonne)	$ 1,540	$ 1,852	$ 2,170	$ 2,346	$ 2,047
Copper (per tonne)	$ 4,297	$ 4,714	$ 4,819	$ 5,578	$ 4,827

Payable production[iii]:

Gold (ounces)					
Northern Business					
LaRonde mine	75,337	75,159	71,784	83,508	305,788
Lapa mine	21,709	21,914	16,242	14,065	73,930
Goldex mine	32,340	31,452	32,742	24,170	120,704
Meadowbank mine	72,311	72,402	72,731	94,770	312,214
Canadian Malartic mine[ii]	73,613	72,502	76,428	69,971	292,514
Kittila mine	48,127	46,209	54,835	53,337	202,508
Southern Business					
Pinos Altos mine	48,117	49,458	48,512	46,685	192,772
Creston Mascota deposit at Pinos Altos	11,551	12,398	12,134	11,213	47,296
La India mine	28,231	27,438	30,779	28,714	115,162
Total gold (ounces)	411,336	408,932	416,187	426,433	1,662,888
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	247	266	203	272	988
Lapa mine	3	1	1	–	5
Goldex mine	–	1	–	–	1
Meadowbank mine	43	66	59	53	221
Canadian Malartic mine[ii]	77	86	96	81	340
Kittila mine	3	2	3	4	12
Southern Business					
Pinos Altos mine	587	633	644	641	2,505
Creston Mascota deposit at Pinos Altos	48	50	55	48	201
La India mine	117	105	126	138	486
Total silver (thousands of ounces)	1,125	1,210	1,187	1,237	4,759
Zinc (tonnes)	614	1,318	1,010	1,745	4,687
Copper (tonnes)	1,154	1,141	1,177	944	4,416

Payable metal sold:

Gold (ounces)					
Northern Business					
LaRonde mine	75,257	72,005	78,096	67,803	293,161
Lapa mine	19,836	22,911	16,851	14,621	74,219
Goldex mine	31,955	30,605	33,275	24,059	119,894
Meadowbank mine	71,589	70,021	78,710	85,318	305,638
Canadian Malartic mine[(ii)(iv)]	65,085	72,259	72,950	67,900	278,194
Kittila mine	50,725	44,580	55,710	51,687	202,702
Southern Business					
Pinos Altos mine	43,224	52,287	60,541	43,410	199,462
Creston Mascota deposit at Pinos Altos	11,845	12,117	12,655	11,695	48,312
La India mine	26,165	27,748	26,050	29,320	109,283
Total gold (ounces)	395,681	404,533	434,838	395,813	1,630,865
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	232	267	225	257	981
Lapa mine	1	–	–	1	2
Goldex mine	–	–	1	–	1
Meadowbank mine	43	66	53	58	222
Canadian Malartic mine[(ii)(iv)]	73	77	87	77	312
Kittila mine	3	2	3	3	11
Southern Business					
Pinos Altos mine	530	647	812	598	2,587
Creston Mascota deposit at Pinos Altos	48	49	38	58	193
La India mine	86	123	91	152	452
Total silver (thousands of ounces)	1,016	1,231	1,310	1,204	4,761
Zinc (tonnes)	605	673	1,374	902	3,554
Copper (tonnes)	1,156	1,164	1,201	1,001	4,522

	Three Months Ended				
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015	Total 2015
Operating margin[(i)]:					
Revenues from mining operations	$ 483,596	$ 510,109	$ 508,795	$ 482,932	$ 1,985,432
Production costs	247,280	263,612	254,584	229,819	995,295
Total operating margin[(i)]	236,316	246,497	254,211	253,113	990,137
Operating margin[(i)] by mine:					
Northern Business					
LaRonde mine	30,015	32,799	32,443	50,667	145,924
Lapa mine	14,687	11,351	13,813	12,363	52,214
Goldex mine	19,253	15,525	20,681	17,108	72,567
Meadowbank mine	46,577	49,600	55,493	64,664	216,334
Canadian Malartic mine[(ii)]	34,718	44,737	44,293	38,059	161,807
Kittila mine	27,415	16,145	21,528	15,174	80,262
Southern Business					
Pinos Altos mine	34,652	44,538	37,217	29,327	145,734
Creston Mascota deposit at Pinos Altos	8,409	12,968	8,898	9,919	40,194
La India mine	20,590	18,834	19,845	15,832	75,101
Total operating margin[(i)]	236,316	246,497	254,211	253,113	990,137
Amortization of property, plant and mine development	135,897	157,615	157,968	157,129	608,609
Exploration, corporate and other	43,706	67,973	110,258	76,963	298,900
Income (loss) before income and mining taxes	56,713	20,909	(14,015)	19,021	82,628
Income and mining taxes (recovery)	27,970	10,826	(15,309)	34,558	58,045
Net income (loss) for the period	$ 28,743	$ 10,083	$ 1,294	$ (15,537)	$ 24,583
Net income (loss) per share – basic (US$)	$ 0.13	$ 0.05	$ 0.01	$ (0.07)	$ 0.11
Net income (loss) per share – diluted (US$)	$ 0.13	$ 0.05	$ 0.01	$ (0.07)	$ 0.11
Cash flows:					
Cash provided by operating activities	$ 143,455	$ 188,349	$ 143,687	$ 140,747	$ 616,238
Cash used in investing activities	$ (53,892)	$ (104,476)	$ (100,365)	$ (115,786)	$ (374,519)
Cash (used in) provided by financing activities	$ (123,182)	$ (64,514)	$ 7,396	$ (100,460)	$ (280,760)

Realized prices (US$):					
Gold (per ounce)	$ 1,202	$ 1,196	$ 1,119	$ 1,094	$ 1,156
Silver (per ounce)	$ 17.02	$ 16.41	$ 14.93	$ 14.56	$ 15.63
Zinc (per tonne)	$ 2,072	$ 2,231	$ 1,909	$ 1,602	$ 1,875
Copper (per tonne)	$ 5,056	$ 6,274	$ 4,538	$ 4,568	$ 5,023
Payable production[iii]:					
Gold (ounces)					
Northern Business					
LaRonde mine	58,893	64,007	71,860	73,161	267,921
Lapa mine	25,920	19,450	25,668	19,929	90,967
Goldex mine	29,250	26,462	32,068	27,646	115,426
Meadowbank mine	88,523	91,276	99,425	102,580	381,804
Canadian Malartic mine[ii]	67,893	68,441	76,603	72,872	285,809
Kittila mine	44,654	41,986	46,455	44,279	177,374
Southern Business					
Pinos Altos mine	50,106	50,647	47,725	44,496	192,974
Creston Mascota deposit at Pinos Altos	12,448	15,606	12,716	13,933	54,703
La India mine	26,523	25,803	28,604	23,432	104,362
Total gold (ounces)	404,210	403,678	441,124	422,328	1,671,340
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	198	201	221	296	916
Meadowbank mine	1	1	1	1	4
Canadian Malartic mine[ii]	96	57	39	29	221
Kittila mine	72	69	76	83	300
Southern Business	2	2	3	4	11
Pinos Altos mine	562	576	606	640	2,384
Creston Mascota deposit at Pinos Altos	32	37	40	50	159
La India mine	69	72	67	55	263
Total silver (thousands of ounces)	1,032	1,015	1,053	1,158	4,258
Zinc (tonnes)	936	827	739	999	3,501
Copper (tonnes)	1,167	1,133	1,306	1,335	4,941

Payable metal sold:

Gold (ounces)					
Northern Business					
LaRonde mine	60,943	59,376	69,143	65,067	254,529
Lapa mine	23,497	20,771	23,331	23,278	90,877
Goldex mine	27,907	27,306	33,004	27,875	116,092
Meadowbank mine	84,780	96,870	100,440	103,667	385,757
Canadian Malartic mine[(ii)(iv)]	59,261	67,522	72,651	71,982	271,416
Kittila mine	48,982	39,385	47,070	43,499	178,936
Southern Business					
Pinos Altos mine	41,433	54,402	49,327	41,418	186,580
Creston Mascota deposit at Pinos Altos	11,399	16,537	12,911	14,997	55,844
La India mine	26,898	23,803	28,983	25,366	105,050
Total gold (ounces)	385,100	405,972	436,860	417,149	1,645,081
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	205	225	220	308	958
Meadowbank mine	98	59	36	32	225
Canadian Malartic mine[(ii)(iv)]	54	80	53	98	285
Kittila mine	2	2	3	3	10
Southern Business					
Pinos Altos mine	446	616	620	607	2,289
Creston Mascota deposit at Pinos Altos	20	48	39	49	156
La India mine	63	76	66	56	261
Total silver (thousands of ounces)	888	1,106	1,037	1,153	4,184
Zinc (tonnes)	1,264	733	650	949	3,596
Copper (tonnes)	1,160	1,131	1,302	1,354	4,947

Notes:

(i) Operating margin is calculated as revenues from mining operations less production costs.

(ii) On June 16, 2014, Agnico Eagle and Yamana jointly acquired 100% of Osisko by way of the Osisko Arrangement. As a result of the Osisko Arrangement, Agnico Eagle and Yamana each indirectly own 50% of Osisko (now Canadian Malartic Corporation) and Canadian Malartic GP, which now holds the Canadian Malartic mine. The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine since the date of acquisition.

(iii) Payable production (a non-GAAP non-financial performance measure) is the quantity of mineral produced during a period contained in products that are or will be sold by the Company, whether such products are sold during the period or held as inventories at the end of the period.

(iv) The Canadian Malartic mine's payable metal sold excludes the 5.0% net smelter royalty transferred to Osisko Gold Royalties Ltd., pursuant to the Osisko Arrangement.

THREE YEAR FINANCIAL AND OPERATING SUMMARY

(thousands of United States dollars, except where noted)

	2016	2015	2014
Revenues from mining operations	$ 2,138,232	$ 1,985,432	$ 1,896,766
Production costs	1,031,892	995,295	1,004,559
Operating margin[(i)]	1,106,340	990,137	892,207
Amortization of property, plant and mine development	613,160	608,609	433,628
Gain on impairment reversal	(120,161)	–	–
Exploration, corporate and other	344,880	298,900	269,441
Income before income and mining taxes	268,461	82,628	189,138
Income and mining taxes	109,637	58,045	106,168
Net income for the year	$ 158,824	$ 24,583	$ 82,970
Net income per share – basic	$ 0.71	$ 0.11	$ 0.43
Net income per share – diluted	$ 0.70	$ 0.11	$ 0.39
Operating cash flow	$ 778,617	$ 616,238	$ 668,324
Investing cash flow	$ (553,490)	$ (374,519)	$ (851,619)
Financing cash flow	$ 190,386	$ (280,760)	$ 229,236
Dividends declared per share	$ 0.36	$ 0.32	$ 0.32
Capital expenditures per Consolidated Statements of Cash Flows	$ 516,050	$ 449,758	$ 475,412
Average gold price per ounce realized	$ 1,249	$ 1,156	$ 1,261
Average silver price per ounce realized	$ 17.28	$ 15.63	$ 18.27
Average zinc price per tonne realized	$ 2,047	$ 1,875	$ 2,224
Average copper price per tonne realized	$ 4,827	$ 5,023	$ 6,596
Weighted average number of common shares outstanding – basic (thousands)	222,737	216,168	195,223
Working capital (including undrawn credit lines)	$ 2,005,785	$ 1,441,991	$ 1,274,627
Total assets	$ 7,107,951	$ 6,683,180	$ 6,840,538
Long-term debt	$ 1,072,790	$ 1,118,187	$ 1,374,643
Shareholders' equity	$ 4,492,474	$ 4,141,020	$ 4,068,490

Operating Summary

LaRonde mine			
Revenues from mining operations	$ 388,180	$ 318,207	$ 308,794
Production costs	179,496	172,283	188,736
Operating margin[(i)]	$ 208,684	$ 145,924	$ 120,058
Amortization of property, plant and mine development	85,292	80,298	64,945
Gross profit	$ 123,392	$ 65,626	$ 55,113
Tonnes of ore milled	2,240,144	2,241,424	2,085,300
Gold – grams per tonne	4.44	3.91	3.24
Gold production – ounces	305,788	267,921	204,652
Silver production – thousands of ounces	988	916	1,275
Zinc production – tonnes	4,687	3,501	10,515
Copper production – tonnes	4,416	4,941	4,997
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 587	$ 643	$ 922
Adjustments:			
Inventory and other adjustments[(ii)]	81	117	133
Total cash costs per ounce of gold produced – co-product basis[(iii)]	$ 668	$ 760	$ 1,055
By-product metal revenues	(167)	(170)	(387)
Total cash costs per ounce of gold produced – by-product basis[(iii)]	$ 501	$ 590	$ 668
Minesite costs per tonne[(iv)]	C$ 106	C$ 99	C$ 99
Lapa mine			
Revenues from mining operations	$ 92,160	$ 104,785	$ 115,254
Production costs	52,974	52,571	61,056
Operating margin[(i)]	$ 39,186	$ 52,214	$ 54,198
Amortization of property, plant and mine development	30,915	30,939	25,991
Gross profit	$ 8,271	$ 21,275	$ 28,207
Tonnes of ore milled	592,683	559,926	638,800
Gold – grams per tonne	4.64	5.83	5.59
Gold production – ounces	73,930	90,967	92,622

Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 717	$ 578	$ 659
Adjustments:			
Inventory and other adjustments [ii]	15	13	8
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 732	$ 591	$ 667
By-product metal revenues	–	(1)	–
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 732	$ 590	$ 667
Minesite costs per tonne[iv]	C$ 121	C$ 117	C$ 107
Goldex mine			
Revenues from mining operations	$ 149,730	$ 133,845	$ 125,574
Production costs	63,310	61,278	64,836
Operating margin[i]	$ 86,420	$ 72,567	$ 60,738
Amortization of property, plant and mine development	41,278	55,728	52,552
Gross profit	$ 45,142	$ 16,839	$ 8,186
Tonnes of ore milled	2,545,300	2,312,567	2,116,777
Gold – grams per tonne	1.60	1.66	1.60
Gold production – ounces	120,704	115,426	100,433
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 525	$ 531	$ 646
Adjustments:			
Inventory and other adjustments [ii]	7	7	(8)
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 532	$ 538	$ 638
By-product metal revenues	–	–	–
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 532	$ 538	$ 638
Minesite costs per tonne[iv]	C$ 33	C$ 33	C$ 33
Meadowbank mine			
Revenues from mining operations	$ 384,023	$ 446,898	$ 575,856
Production costs	218,963	230,564	270,824
Operating margin[i]	$ 165,060	$ 216,334	$ 305,032
Amortization of property, plant and mine development	122,545	144,931	119,545
Gross profit	$ 42,515	$ 71,403	$ 185,487

Tonnes of ore milled	3,915,102	4,032,852	4,129,100
Gold – grams per tonne	2.70	3.16	3.61
Gold production – ounces	312,214	381,804	452,877
Silver production – thousands of ounces	221	221	135
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 701	$ 604	$ 598
Adjustments:			
Inventory and other adjustments [ii]	26	19	6
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 727	$ 623	$ 604
By-product metal revenues	(12)	(10)	(5)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 715	$ 613	$ 599
Minesite costs per tonne[iv]	C$ 74	C$ 70	C$ 73
Canadian Malartic mine[v]			
Revenues from mining operations	$ 371,920	$ 333,280	$ 189,900
Production costs	183,635	171,473	113,916
Operating margin [i]	$ 188,285	$ 161,807	$ 75,984
Amortization of property, plant and mine development	117,665	103,050	40,973
Gross profit	$ 70,621	$ 58,757	$ 35,011
Tonnes of ore milled	9,820,696	9,544,763	5,263,100
Gold – grams per tonne	1.04	1.05	0.95
Gold production – ounces	292,514	285,809	143,008
Silver production – thousands of ounces	340	300	151
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 628	$ 600	$ 797
Adjustments:			
Inventory and other adjustments [ii]	(2)	13	(76)
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 626	$ 613	$ 721
By-product metal revenues	(20)	(17)	(20)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 606	$ 596	$ 701
Minesite costs per tonne[iv]	C$ 25	C$ 23	C$ 22

Kittila mine

Revenues from mining operations	$ 252,346	$ 206,357	$ 176,520
Production costs	141,871	126,095	116,893
Operating margin[(i)]	$ 110,475	$ 80,262	$ 59,627
Amortization of property, plant and mine development	57,361	48,648	33,683
Gross profit	$ 53,114	$ 31,614	$ 25,944
Tonnes of ore milled	1,666,732	1,464,038	1,156,400
Gold – grams per tonne	4.41	4.44	4.57
Gold production – ounces	202,508	177,374	141,742
Silver production – thousands of ounces	12	11	7
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 701	$ 711	$ 825
Adjustments:			
Inventory and other adjustments[(ii)]	(1)	(1)	21
Total cash costs per ounce of gold produced – co-product basis[(iii)]	$ 700	$ 710	$ 846
By-product metal revenues	(1)	(1)	(1)
Total cash costs per ounce of gold produced – by-product basis[(iii)]	$ 699	$ 709	$ 845
Minesite costs per tonne[(iv)]	€ 77	€ 76	€ 78

Pinos Altos mine

Revenues from mining operations	$ 294,377	$ 250,909	$ 251,783
Production costs	114,557	105,175	123,342
Operating margin[(i)]	$ 179,820	$ 145,734	$ 128,441
Amortization of property, plant and mine development	64,101	41,894	42,957
Gross profit	$ 115,719	$ 103,840	$ 85,484
Tonnes of ore processed	2,260,155	2,378,406	2,520,400
Gold – grams per tonne	3.04	2.68	2.22
Gold production – ounces	192,772	192,974	171,019
Silver production – thousands of ounces	2,505	2,384	1,731

Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 594	$ 545	$ 721
Adjustments:			
Inventory and other adjustments [ii]	(9)	33	(3)
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 585	$ 578	$ 718
By-product metal revenues	(229)	(191)	(185)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 356	$ 387	$ 533
Minesite costs per tonne[iv]	$ 49	$ 45	$ 48
Creston Mascota deposit at Pinos Altos			
Revenues from mining operations	$ 62,967	$ 66,472	$ 59,573
Production costs	27,341	26,278	28,007
Operating margin[i]	$ 35,626	$ 40,194	$ 31,566
Amortization of property, plant and mine development	18,898	17,868	9,626
Gross profit	$ 16,728	$ 22,326	$ 21,940
Tonnes of ore processed	2,119,245	2,098,812	1,793,800
Gold – grams per tonne	1.12	1.34	1.3
Gold production – ounces	47,296	54,703	47,842
Silver production – thousands of ounces	201	159	88
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 578	$ 480	$ 585
Adjustments:			
Inventory and other adjustments [ii]	10	(6)	26
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 588	$ 474	$ 611
By-product metal revenues	(72)	(44)	(33)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 516	$ 430	$ 578
Minesite costs per tonne[iv]	$ 13	$ 12	$ 16

La India mine [vi]

Revenues from mining operations	$ 142,529	$ 124,679	$ 93,512
Production costs	49,745	49,578	36,949
Operating margin [i]	$ 92,784	$ 75,101	$ 56,563
Amortization of property, plant and mine development	72,043	81,430	43,356
Gross profit	$ 20,741	$ (6,329)	$ 13,207
Tonnes of ore processed	5,837,404	5,371,419	4,773,190
Gold – grams per tonne	0.81	0.95	0.98
Gold production – ounces	115,162	104,362	75,093
Silver production – thousands of ounces	486	263	178
Total cash costs per ounce of gold produced ($ per ounce basis) [vi]:			
Production costs	$ 432	$ 475	$ 516
Adjustments:			
Inventory and other adjustments [ii]	36	–	16
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 468	$ 475	$ 532
By-product metal revenues	(73)	(39)	(45)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 395	$ 436	$ 487
Minesite costs per tonne [iv]	$ 9	$ 9	$ 8

Notes:

(i) Operating margin is calculated as revenues from mining operations less production costs.

(ii) Under the Company's revenue recognition policy, revenue is recognized when legal title passes. 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 production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.

(iii) Total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data presented by other gold producers. Total cash costs per ounce of gold produced is presented on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (before deducting by-product metal revenues). Total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income and comprehensive income for by-product metal revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. Total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as total cash costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made. The calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The Company believes that these generally accepted industry measures provide a realistic indication of operating performance and provide useful comparison points between periods. Total cash costs per ounce of gold produced is intended to provide information about the cash generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with IFRS. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

(iv) Minesite costs per tonne is not a recognized measure under IFRS and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as shown in the consolidated statements of income and comprehensive income for inventory production costs, 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 by-product 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 IFRS.

(v) On June 16, 2014, Agnico Eagle and Yamana jointly acquired 100% of Osisko by way of the Osisko Arrangement. As a result of the Osisko Arrangement, Agnico Eagle and Yamana each indirectly own 50% of Osisko (now Canadian Malartic Corporation) and Canadian Malartic GP, which now holds the Canadian Malartic mine. The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine since the date of acquisition.

(vi) The La India mine achieved commercial production on February 1, 2014. The calculation of total cash costs per ounce of gold produced for the year ended December 31, 2014 excludes 3,492 ounces of payable gold production as they were produced prior to the achievement of commercial production.

QuickLinks

Exhibit 99.3

NOTE TO INVESTORS CONCERNING FORWARD - LOOKING INFORMATION
NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND 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 CERTAIN MEASURES OF PERFORMANCE
GOLD ($ per ounce)
SILVER ($ per ounce)
Total Production Costs by Category
SUMMARIZED QUARTERLY DATA (thousands of United States dollars, except where noted)
THREE 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 27, 2017

/s/ Sean Boyd
Sean Boyd
Vice-Chairman 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 27, 2017

/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, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sean Boyd, the Vice-Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Toronto, Canada
March 27, 2017

/s/ Sean Boyd
Sean Boyd
Vice-Chairman 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, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Smith, the Senior Vice-President, Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Toronto, Canada
March 27, 2017

/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, 2016 filed with the Securities and Exchange Commission on March 27, 2017 (the “Annual Report”), and the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of our reports dated March 27, 2017, with respect to the consolidated financial statements of Agnico Eagle Mines Limited as of December 31, 2016 and December 31, 2015 and for each of the years in the two-year period ended December 31, 2016 and with respect to the effectiveness of internal control over financial reporting of Agnico Eagle Mines Limited, which are included in the Annual Report.

Toronto, Canada
March 27, 2017

/s/ Ernst & Young LLP

ERNST & YOUNG LLP
Chartered Professional 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, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Daniel Doucet
Daniel Doucet
Senior Corporate Director, Reserve Development

Exhibit 99.10

CONSENT OF DONALD GERVAIS

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Donald Gervais
Donald Gervais
Director of Technical Services at Canadian Malartic Corporation

Exhibit 99.11

CONSENT OF SYLVIE LAMPRON

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Sylvie Lampron
Sylvie Lampron
Principal Engineer at Canadian Malartic Corporation

Exhibit 99.12

CONSENT OF GUY GOSSELIN

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Guy Gosselin
Guy Gosselin
Vice-President, Exploration

Exhibit 99.13

CONSENT OF LOUISE GRONDIN

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Louise Grondin

Louise Grondin
Senior Vice-President, Environment, Sustainable Development and People

Exhibit 99.14

CONSENT OF CAROL PLUMMER

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Carol Plummer
Carol Plummer
Vice President, Project Development, Southern Business

Exhibit 99.15

CONSENT OF PAUL COUSIN

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Paul Cousin
Paul Cousin
Vice-President, Metallurgy

Exhibit 99.16

CONSENT OF FRANCIS BRUNET

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Francis Brunet
Francis Brunet
Corporate Director Mining

Exhibit 99.17

CONSENT OF DOMINIQUE GIRARD

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Dominique Girard
Dominique Girard
Vice-President Technical Services and Nunavut Operations

Exhibit 99.18

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, 2016 filed with the Securities and Exchange Commission on March , 2017 (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 , 2017 (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. 333-206498), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004) of the reference to my name and the above-mentioned information in the AIF.

March 27, 2017

/s/ Christian Provencher
Christian Provencher
Vice-President, Canada