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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

o REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934
OR
ý ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2018
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
(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.

234,458,597 Common Shares as of December 31, 2018

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

Yes ý No o

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was

required to submit such files).

Yes ý No o

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

Emerging growth company o

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

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

EXPLANATORY NOTE

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

FORWARD-LOOKING INFORMATION

This Annual Report on Form 40-F and the exhibits attached hereto (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 2019 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, European Union euro, Mexican peso and the U.S. dollar will be approximately consistent with current levels or as set out in this Form 40-F; that prices for gold, silver, zinc and copper will be consistent with Agnico Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico Eagle's expectations; that production meets 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 90 of the Company's annual information form for the year ended December 31, 2018, 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, 2019, the exchange rate (based on the daily average exchange rate as reported by the Bank of Canada) for U.S. dollars into Canadian dollars ("C$") was US$1.00 equals C$1.3411.

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 SEC staff ("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 Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally extracted or produced at the time the reserve determination is made. Guide 7 does not recognize measures of "mineral resource". However, in October 2018, the SEC approved final rules requiring comprehensive and detailed disclosure requirements for issuers with material mining operations. The new SEC rules will replace Guide 7 and are intended to align the SEC's disclosure requirements more closely with NI 43-101. Under the new SEC rules, SEC registrants will be permitted to disclose "mineral resources" even though they reflect a lower level of certainty than mineral reserves.

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, Guide 7 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, Guide 7 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" and "minesite costs per tonne", that are not recognized measures under International Financial Reporting Standards ("IFRS"). These measures may not be comparable to measures presented by other gold 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, 2018, 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, 2018 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, 2018, 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, 2018. 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, 2018, the Company's internal control over financial reporting was effective.

Ernst & Young LLP, an independent registered public accounting firm, has audited the Company's Annual Audited Consolidated Financial Statements, which are filed as Exhibit 99.2 to this Form 40-F and incorporated by reference herein (the "Annual Financial Statements"), and has included its attestation report on management's assessment of the Corporation's internal control over financial reporting, which is found on page 3 of the Annual Financial Statements.

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 3 of the Annual Financial Statements.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

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

During the year ended December 31, 2018, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

IDENTIFICATION OF THE AUDIT COMMITTEE

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

AUDIT COMMITTEE FINANCIAL EXPERT

The Board has determined that the Company has at least one "audit committee financial expert" (as defined in paragraph (8) of General Instruction B to Form 40-F) and that each of Mr. Leiderman and Mr. Sokalsky is an "audit committee financial expert" 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, 2018. For a description of the total amount billed to the Company by Ernst & Young LLP for services performed in the last two fiscal years by category of service (audit fees, audit-related fees, tax fees and all other fees), see "Audit Committee — External Auditor Service Fees" on page 111 of the AIF. No audit-related fees, tax fees or other non-audit fees were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

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

CODE OF ETHICS

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

During the year ended December 31, 2018, the Company has not granted a waiver from a provision of its code of ethics to its Chief Executive Officer, Chief Financial Officer, principal accounting officer, controller, or persons performing similar functions.

NOTICES PURSUANT TO REGULATION BTR

The Company did not send any notices required by Rule 104 of Regulation BTR during the year ended December 31, 2018, concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

OFF-BALANCE SHEET ARRANGEMENTS

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

CONTRACTUAL OBLIGATIONS

For tabular disclosure of the Company's contractual obligations, see page 22 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.

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

In accordance with Section 13(r) of the Exchange Act, the Company is required to include certain disclosures in its periodic reports if it or any of its affiliates knowingly engaged in certain specified activities during the period covered by the report. Neither the Company nor its affiliates have knowingly engaged in any transaction or dealing reportable under Section 13(r) of the Exchange Act during the year ended December 31, 2018.

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. 333-221636).

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form of the Company for the year ended December 31, 2018.
99.2	Annual Audited Consolidated Financial Statements of the Company, including the notes thereto, as at December 31, 2018 and 2017 and for each of the years in the three-year period ended December 31, 2018, 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, 2018.
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 Sylvie Lampron.
99.11	Consent of Pascal Lehouiller.
99.12	Consent of Guy Gosselin.
99.13	Consent of Louise Grondin.
99.14	Consent of Marc Legault.
99.15	Consent of Paul Cousin.
99.16	Consent of Francis Brunet.
99.17	Consent of Dominique Girard.
99.18	Consent of Christian Provencher.
101.INS	XBRL INSTANCE
101.SCH	XBRL SCHEMA
101.CAL	XBRL CALCULATION
101.DEF	XBRL DEFINITION
101.LAB	XBRL LABEL
101.PRE	XBRL PRESENTATION

SIGNATURES

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

Toronto, Canada
March 26, 2019

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, 2018

Dated as of March 26, 2019

AGNICO EAGLE MINES LIMITED

ANNUAL INFORMATION FORM

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INTRODUCTORY NOTES

Currency and Exchange Rates

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

Exchange Rates: The following tables set out, in Canadian dollars, the exchange rates for the U.S. dollar, based on the daily average exchange rate for 2014 through 2018, and the daily average exchange rates for March 2019 (to March 22, 2019) and the previous six months, in each case as reported by the Bank of Canada (the "US Exchange Rate"). On March 22, 2019, the US Exchange Rate was US$1.00 equals C$1.3411.

	Year Ended December 31,				
	2018	**2017**	**2016**	**2015**	**2014**
High	1.3642	1.3743	1.4589	1.3990	1.1643
Low	1.2288	1.2128	1.2544	1.1728	1.0614
End of Period	1.3642	1.2545	1.3427	1.3840	1.1601
Average	1.2957	1.2986	1.3248	1.2787	1.1045

	2019			2018			
	March (to March 22)	**February**	**January**	**December**	**November**	**October**	**September**
High	1.3438	1.3298	1.3600	1.3642	1.3302	1.3142	1.3188
Low	1.3260	1.3095	1.3144	1.3191	1.3088	1.2803	1.2905
End of Period	1.3411	1.3169	1.3144	1.3642	1.3301	1.3142	1.2945
Average	1.3358	1.3206	1.3301	1.3432	1.3200	1.3010	1.3037

On December 31, 2018 and March 22, 2019, US$1.00 equaled €0.8734 and €0.8848, 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 2019 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, community protests, including by First Nations groups, 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, 2016, 2017 and 2018 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 AIF 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 AIF 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, 2018 (the "Annual MD&A").

The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, 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. Unless otherwise specified, all references to total cash costs per ounce in this AIF are to total cash costs per ounce reported on a by-product basis.

All-in sustaining costs per ounce is used to show the full cost of gold production from current operations. The Company calculates all-in sustaining costs per ounce of gold produced on a by-product basis as the aggregate of total cash costs per ounce on a by-product basis, sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options) 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. Unless otherwise specified, all references to all-in sustaining costs per ounce in this AIF are to all-in sustaining costs per ounce reported on a by-product basis.

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

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, 2018 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, 2018, including the notes thereto (the "Annual Financial Statements") and the Annual MD&A.

	Year Ended December 31,				
	2018	**2017(1)**	**2016**	**2015**	**2014(2)**
	(in thousands of U.S. dollars, other than share and per share information)				
Income Statement Data					
Revenues from mining operations	2,191,221	2,242,604	2,138,232	1,985,432	1,896,766
Production	1,160,355	1,057,842	1,031,892	995,295	1,004,559
Exploration and corporate development	137,670	141,450	146,978	110,353	56,002
Amortization of property, plant and mine development	553,933	508,739	613,160	608,609	433,628
General and administrative	124,873	115,064	102,781	96,973	118,771
Impairment loss on equity securities	–	8,532	–	12,035	15,763
Loss (gain) on derivative financial instruments	6,065	(17,898)	(9,468)	19,608	6,156
Finance costs	96,567	78,931	74,641	75,228	73,393
Other expenses (income)	(35,294)	(3,877)	16,233	12,028	(7,004)
Environmental remediation	14,420	1,219	4,058	2,003	8,214
Impairment loss (reversal)	389,693	–	(120,161)	–	–
Gain on sale of equity securities	–	–	(3,500)	(24,600)	(5,635)
Foreign currency translation loss (gain)	1,991	13,313	13,157	(4,728)	3,781
Income (loss) before income and mining taxes	(259,052)	339,289	268,461	82,628	189,138
Income and mining taxes expense	67,649	98,494	109,637	58,045	106,168
Net income (loss) for the year	(326,701)	240,795	158,824	24,583	82,970
Net income (loss) per share – basic	(1.40)	1.05	0.71	0.11	0.43
Net income (loss) per share – diluted	(1.40)	1.04	0.70	0.11	0.39
Weighted average number of common shares outstanding – basic	233,251,255	230,251,876	223,736,595	216,167,950	195,222,905
Weighted average number of common shares outstanding – diluted	233,251,255	232,460,918	225,753,589	217,101,431	196,201,626
Cash dividends declared per common share	0.44	0.41	0.36	0.32	0.32
Balance Sheet Data (at end of period)					
Property, plant and mine development	6,234,302	5,626,552	5,106,036	5,088,967	5,155,865
Total assets	7,852,843	7,865,601	7,107,951	6,683,180	6,809,255
Long-term debt	1,721,308	1,371,851	1,072,790	1,118,187	1,322,461
Reclamation provision	380,747	345,268	265,308	276,299	249,917
Net assets	4,550,012	4,946,991	4,492,474	4,141,020	4,068,490
Common shares	5,362,169	5,288,432	4,987,694	4,707,940	4,599,788
Shareholders' equity	4,550,012	4,946,991	4,492,474	4,140,020	4,068,490
Total common shares outstanding	234,458,597	232,250,441	224,965,140	217,650,795	214,236,234

(1) In accordance with the adoption of IFRS 9 on January 1, 2018, the Company has restated 2017 comparative information where required. See note 3 to the Annual Financial Statements.

(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").

GLOSSARY OF SELECTED MINING TERMS

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

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

"feasibility study"	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations, together with any other relevant operational factors and a detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.
"felsic"	A term used to describe light-coloured rocks containing feldspar, feldspathoids and silica.
"flotation"	The method of mineral separation in which a froth created by a variety of reagents floats some finely crushed minerals, whereas other minerals sink. The metal-rich flotation concentrate is then skimmed off the surface.
"foliation"	A general term for a planar arrangement of features in any type of rock, especially the planar structure that results in a metamorphic rock.
"footwall"	The rock beneath an inclined vein or ore deposit (opposite of a hanging wall).
"fracture"	Any break in a rock, whether or not it causes displacement, due to mechanical failure by stress; includes cracks, joints and faults.
"free gold"	Gold not combined with other substances.
"glacial till"	Dominantly unsorted and unstratified, unconsolidated rock debris, deposited directly by and underneath a glacier.
"grade"	The relative quantity or the percentage of metal content of an orebody (*e.g.*, grams of gold per tonne of rock or percent copper).
"greenstone belt"	An area underlain by metamorphosed volcanic and sedimentary rocks, usually in a continental shield.
"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 lava, which is extruded upon the Earth's surface.
"iron formation"	A chemical sedimentary rock, typically thin-bedded or finely laminated, containing at least 15% iron of sedimentary origin and commonly containing layers of chert.
"ITH drill"	A type of rock drill in which a hammer is mounted in the hole, applying percussive force directly to the drill bit.
"leaching"	A chemical process for the extraction of valuable minerals from ore; also, a natural process by which ground waters dissolve minerals.
"lens"	A geological deposit that is thick in the middle and tapers towards the ends, resembling a convex lens.
"lithologic groups"	Groups of rock formations.
"lode"	A mineral deposit consisting of a zone of veins, veinlets or disseminations.
"longitudinal retreat"	An underground mining method where the ore is excavated in horizontal slices along the orebody and the stoping starts below and advances upwards. The ore is recovered underneath in the stope.
"mafic"	Igneous rocks composed mostly of dark, iron- and magnesium-rich silicate minerals.
"massive"	Said of a mineral deposit, especially of sulphides, characterized by a great concentration of ore in one place, as opposed to a disseminated or vein-like deposit. Said of any rock that has a homogeneous texture or fabric over a large area, with an absence of layering or any similar directional structure.
"matrix"	The fine-grained rock material in which a larger mineral is embedded.
"measured mineral resource"	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

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

"preliminary feasibility study" or "pre-feasibility study"	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method (in the case of underground mining) or the pit configuration (in the case of an open pit) is established, and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve.
"pressure oxidation"	A process by which sulphide minerals are oxidized in order to expose gold that is encapsulated in the mineral lattice. The main component of a pressure oxidation circuit consists of a pressurized vessel (autoclave) where the oxygen level, process temperature and acidity are the primary control parameters.
"probable mineral reserve"	The economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study.
"proven mineral reserve"	The economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study.
"pyrite"	A yellow iron sulphide mineral, FeS_2, normally of little value. It is sometimes referred to as "fool's gold".
"pyroclastic"	Rocks produced by explosive or aerial ejection of ash, fragments and glassy material from a volcanic vent.
"recovery"	The percentage of valuable metal in the ore that is recovered by metallurgical treatment.
"rock burst"	A sudden and often violent breaking of a mass of rock from the walls of a mine, caused by failure of highly stressed rock and the rapid release of accumulated strain energy.
"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 tailings are sent, the prime function of which is to allow enough time for metals to settle out or for cyanide to be naturally destroyed before the water is returned to the mill or discharged into the local watershed.
"tenement"	The right to enter, develop and work a mineral deposit. Includes a mining claim or a mining lease. A synonym of mineral title.
"thickener"	A vessel for reducing the proportion of water in a pulp by means of sedimentation.
"thickness"	The distance at right angles between the hanging wall and the footwall of a lode or lens.
"tonne"	A metric measurement of mass. 1 tonne = 1,000 kilograms = 2,204.6 pounds = 1.1 tons.
"transfer fault"	A structure that can accommodate lateral variations of deformation and strain.
"transverse open stoping"	An underground mining method in which the ore is excavated in horizontal slices perpendicular to the orebody length and the stoping starts below and advances upwards. The ore is recovered underneath the stope through a drawpoint system.
"trench"	A narrow excavation dug through overburden, or blasted out of rock, to expose a vein or ore structure for sampling or observation.
"vein"	A mineral filling of a fault or other fracture in a host rock.
"wacke"	A "dirty" sandstone that consists of a mixture of poorly sorted mineral and rock fragments in an abundant matrix of clay and fine silt.
"winze"	An internal mine shaft.
"Zadra elution circuit"	The process in this part of a gold mill strips gold and silver from carbon granules and puts them into solution.
"zone"	An area of distinct mineralization (*i.e.*, a deposit).

CORPORATE STRUCTURE

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

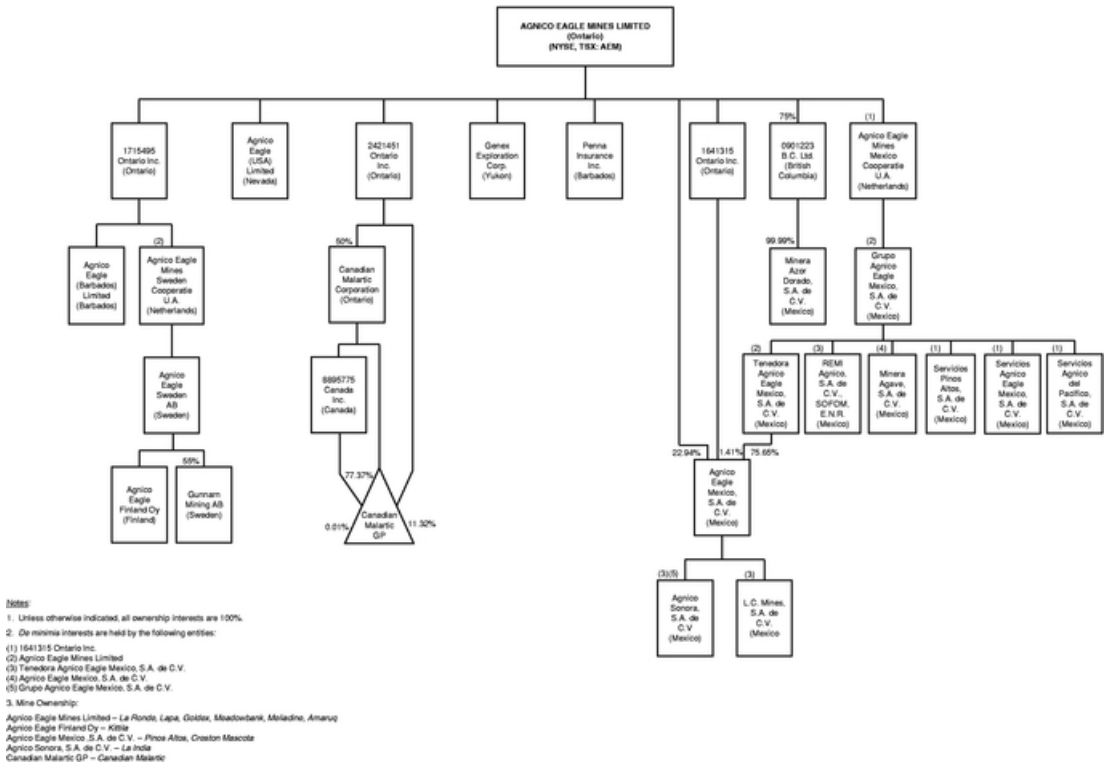
Since 1972, several corporate alterations have taken place. On August 22, 1972, the Company's articles were amended to permit the Company to: (i) borrow money on the credit of the Company, (ii) issue, sell or pledge debt obligations and (iii) charge, mortgage or pledge the Company's property. On June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

On December 31, 1992, the Company amalgamated with Lucky Eagle Mines Limited. On June 30, 1993, the maximum number of directors of the Company was increased from nine to 12. On January 1, 1996, the Company amalgamated with Goldex Mines Limited and 1159885 Ontario Limited. On October 17, 2001, the Company amalgamated with Mentor Exploration and Development Co. On July 12, 2002, the name of the Company was changed to "Agnico-Eagle Mines Limited/Mines Agnico-Eagle 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 (or any other website referred to herein) is not part of this AIF. The Company's principal place of business in the United States is located at 1675 E. Prater Way, Suite 102, Sparks, Nevada 89434.

The following chart sets out the corporate structure of the Company, each of its significant subsidiaries and certain other entities, together with the jurisdiction of organization of the Company and each such subsidiary or entity as at March 22, 2019 (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.

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 decade, the Company transformed itself from a regionally focused, single mine producer to a multi-mine international gold producer.

The Company announced on February 15, 2017 that it intends to build mining operations at the Meliadine project and the Amaruq satellite deposit at Meadowbank, which are expected to achieve commercial production in the second and third quarters of 2019, respectively.

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[1]	Date of achieving Commercial Production[1]	Estimated Mine Life[2]
LaRonde mine	1992	1985	1988	2025
LaRonde Zone 5 mine	2003	2017	June 2018	2026
Goldex mine[3]	December 1993	July 2012	October 2013	2025
Canadian Malartic mine	June 2014	n/a	n/a	2027
Kittila mine	November 2005	June 2006	May 2009	2035
Meadowbank Complex	April 2007	Pre-April 2007	March 2010	2025
Meliadine project	July 2010	2017	Expected in Q2 2019	2032
Pinos Altos mine	March 2006	August 2007	November 2009	2025
Creston Mascota mine	March 2006	2010	March 2011	2020
La India mine	November 2011	September 2012	February 2014	2025

Notes:

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

(2) Estimated end date for gold production based on the Company's current life of mine plans. The estimated mine life at the Meadowbank Complex includes production from the Amaruq satellite deposit at Meadowbank. The Company expects commercial production at the Amaruq satellite deposit at Meadowbank to be achieved in the third quarter of 2019.

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

In 2018, the Company produced 1,626,669 ounces of gold at production costs per ounce of gold of $713, total cash costs per ounce of gold of $637 and at all-in sustaining costs per ounce of $877. For 2019, the Company expects to produce approximately 1.75 million ounces of gold at total cash costs per ounce of gold between $620 and $670 and at all-in sustaining costs per ounce between $875 and $925. 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

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 at 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 approved plans to build mining operations at the Meliadine project and the Amaruq satellite deposit at Meadowbank, which are currently expected to achieve commercial production in the second and third quarter of 2019, respectively.

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

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

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

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

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

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

2018

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

On March 28, 2018, the Company acquired Yamana's indirect 50% interest in the Canadian exploration assets of Canadian Malartic Corporation ("CMC"), including the Kirkland Lake and Hammond Reef gold projects and additional mining claims and assets located in Ontario and Quebec (the "CMC Assets"). Under the transaction, the Company acquired all of Yamana's indirect 50% interest in the CMC Assets, giving the Company 100% ownership of the CMC Assets. The effective purchase price after the distribution of the sale proceeds by CMC to its shareholders was $162.5 million in cash.

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

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

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

2019

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

	Estimated 2019 Capital Expenditures (thousands of $)			
			Capitalized Exploration	
	Sustaining	**Development**	**Sustaining**	**Non-Sustaining**
LaRonde	71,300	12,200	1,200	–
LaRonde Zone 5	6,600	2,800	–	–
Canadian Malartic	47,000	35,700	2,300	–
Meadowbank/Amaruq Complex[(1)]	18,700	110,900	–	4,400
Amaruq Underground project	–	23,000	–	–
Kittila	69,700	85,100	9,300	–
Goldex	17,100	17,400	–	4,800
Pinos Altos	23,800	10,200	200	–
Creston Mascota deposit at Pinos Altos	–	–	–	–
La India	9,100	11,700	700	–
Meliadine[(2)]	23,100	33,300	3,000	2,200
Other	1,300	1,900	–	–
Total Expenditures	**287,700**	**344,200**	**16,700**	**11,400**

Notes:

(1) 2019 forecast capital expenditures relating to the Meadowbank Complex anticipate 40,000 pre-production gold ounces from the Amaruq deposit at Meadowbank.

(2) 2019 forecast capital expenditures relating to the Meliadine project anticipate 60,000 pre-production gold ounces.

Pre-2016

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 whose primary asset was the Kittila property. In November 2005, the Company completed a tender offer (the "Riddarhyttan Offer") for all of the issued and

outstanding shares of Riddarhyttan that it did not own. The Company issued 10,023,882 of its common shares and paid and committed an aggregate of $5.1 million cash as consideration to Riddarhyttan shareholders in connection with the Riddarhyttan Offer. On March 28, 2011, Riddarhyttan was merged with Agnico Eagle AB and Agnico Eagle Sweden AB, with Agnico Eagle Sweden AB as the continuing entity.

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

In February 2007, the Company made an exchange offer for all of the outstanding shares of Cumberland Resources Ltd. ("Cumberland") not already owned by the Company. At the time, Cumberland was a pre-production development stage company listed on the Toronto Stock Exchange ("TSX") and American Stock Exchange whose primary asset was the Meadowbank property. In May 2007, the Company acquired approximately 92% of the issued and outstanding shares of Cumberland that it did not previously own and, in July 2007, the Company completed the acquisition of all Cumberland shares by way of a compulsory acquisition. The Company issued 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. In May 2010, the Company executed the definitive agreements with Comaplex and, in July 2010 by plan of arrangement under the *Business Corporations Act* (Alberta), the Company acquired 100% of the Meliadine gold property through the acquisition of Comaplex. Pursuant to the arrangement, Comaplex transferred to Geomark Exploration Ltd. all assets and related liabilities other than those relating to the Meliadine project. In connection with the arrangement, the Company issued 10,210,848 of its common shares as consideration to Comaplex shareholders.

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

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

In connection with the Osisko Arrangement, substantially all of the assets and obligations relating to the Canadian Malartic mine in Quebec were transferred to Canadian Malartic GP (the "Partnership"), a newly formed general

partnership in which the Company and Yamana each own an indirect 50% interest. The Company and Yamana formed a joint management committee to operate the Canadian Malartic mine. On June 17, 2014, Osisko and the acquisition corporation formed by the Company and Yamana to acquire Osisko amalgamated to form CMC in which Agnico and Yamana each hold an indirect 50% interest.

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-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.

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 also incurred $7 million in exploration expenditures associated with the Barsele project, and may earn an additional 15.0% interest in Gunnarn if the Company completes a pre-feasibility study related to the Barsele project. The Company holds a majority of the seats on the board of directors of Gunnarn and is the sole operator of the Barsele project.

OPERATIONS AND PRODUCTION

Business Units and Foreign Operations

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

The Company's Northern Business is comprised of the Company's operations in Canada and Finland. The Company's Canadian properties include the LaRonde 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 the Partnership, which is held though a wholly-owned subsidiary of the Company and the Company's 50% interest in CMC. The Company's operations in Finland are conducted through its indirect subsidiary, Agnico Eagle Finland Oy, which owns the Kittila mine. In 2018, the Northern Business accounted for approximately 80% of the Company's gold production. In 2019, the Company anticipates that the Northern Business will account for approximately 83% 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 2018, the Southern Business accounted for approximately 20% of the Company's gold production. In 2019, the Company anticipates that the Southern Business will account for approximately 17% 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 2018 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 86 properties in Canada, five properties in the United States, three groups of properties in Finland, two properties in Sweden and 19 properties in Mexico. Exploration activities are managed from offices in: Val d'Or, Quebec; Kirkland Lake, Ontario; Reno, Nevada; Chihuahua, Hermosillo and Jalisco, Mexico; Kittila, Finland; Storuman, Sweden; and Vancouver, British Columbia.

Northern Business

LaRonde Mine

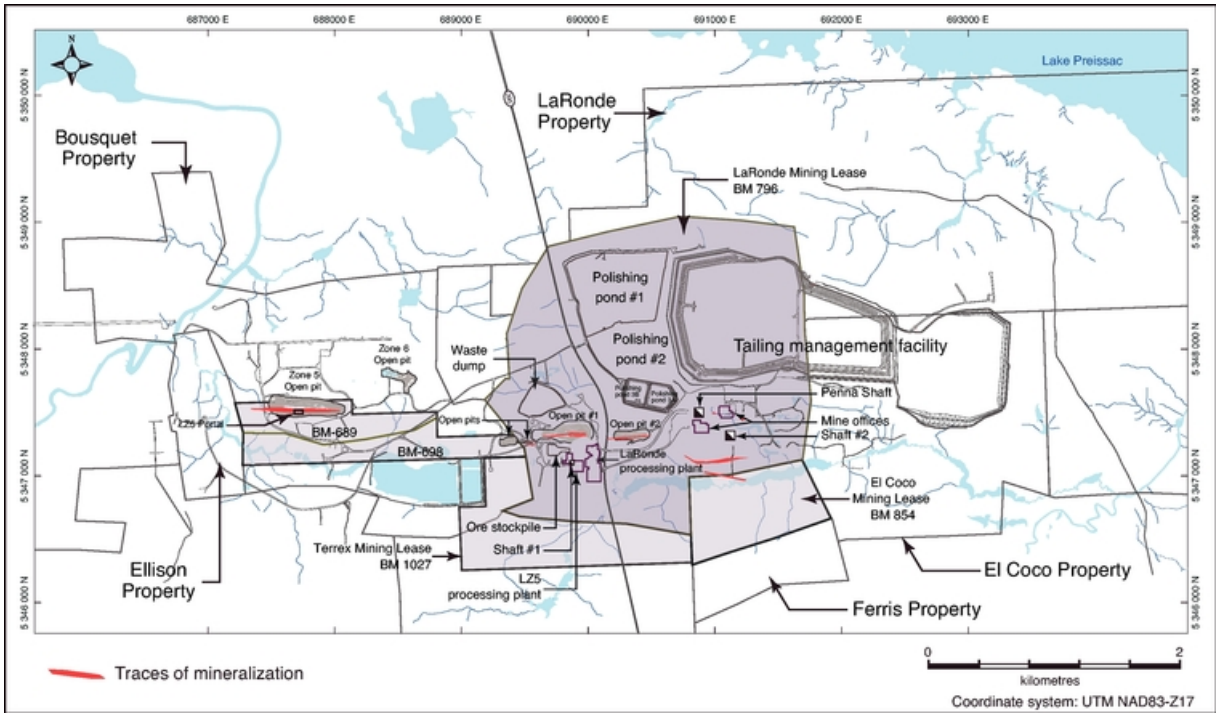
The LaRonde mine is situated approximately halfway between Rouyn-Noranda and Val d'Or in northwestern Quebec (approximately 470 kilometres northwest of Montreal, Quebec) in the municipalities of Preissac and Cadillac. At December 31, 2018, the LaRonde mine was estimated to have proven and probable mineral reserves containing approximately 3.1 million ounces of gold comprised of 16.4 million tonnes of ore grading 5.85 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. The mining leases on the LaRonde, El Coco and Terrex properties expire in 2028, 2021 and 2034, respectively. Each lease is renewable for three further ten-year terms upon payment of a small fee, other than the LaRonde lease, which is eligible for one

additional ten-year term. The Company also has three surface rights leases that relate to the water pipeline right of way from Lake Preissac and the eastern extension of the LaRonde tailings pond #7 on the El Coco property. The surface rights leases are renewable annually.

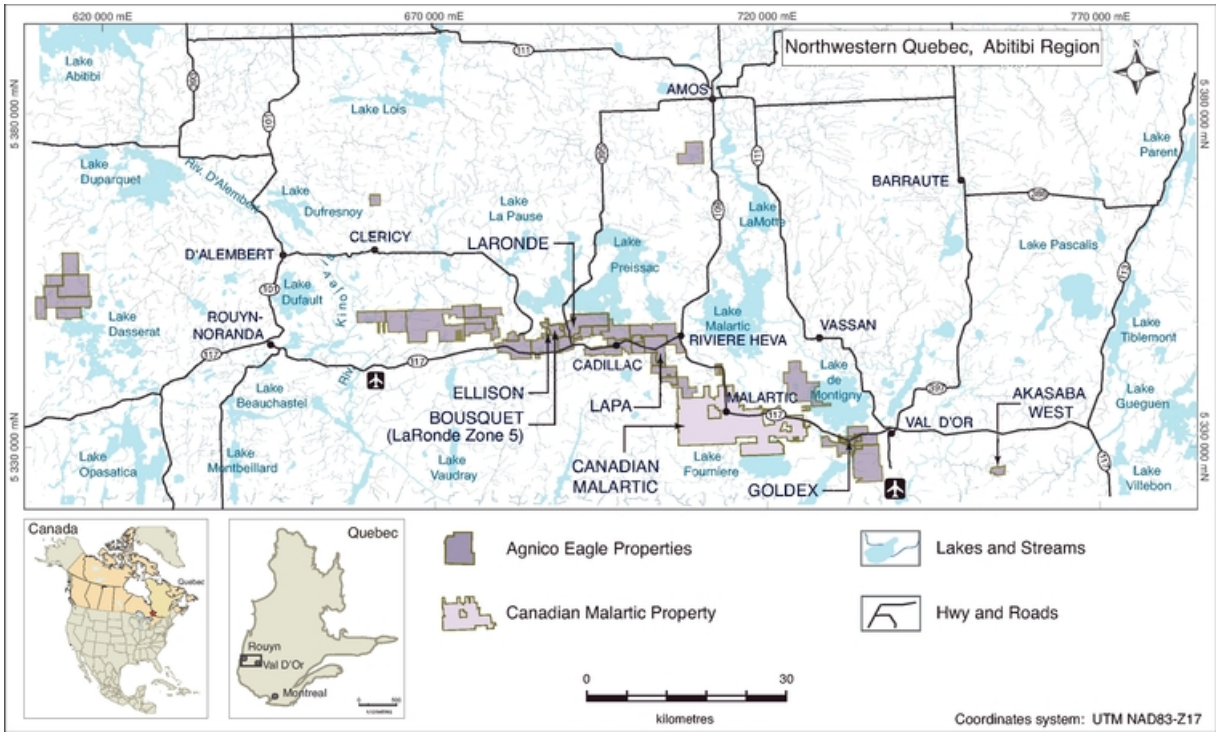
Location Map of the LaRonde Mine (as at December 31, 2018)



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 2019. In 2018, 94% of the ore processed from the LaRonde mine was extracted from the deeper portion of the LaRonde mine (that is, below Level 245) or the "LaRonde mine extension". In 2019, the Company anticipates that approximately 95% of the ore processed will be from this deeper part of the mine.

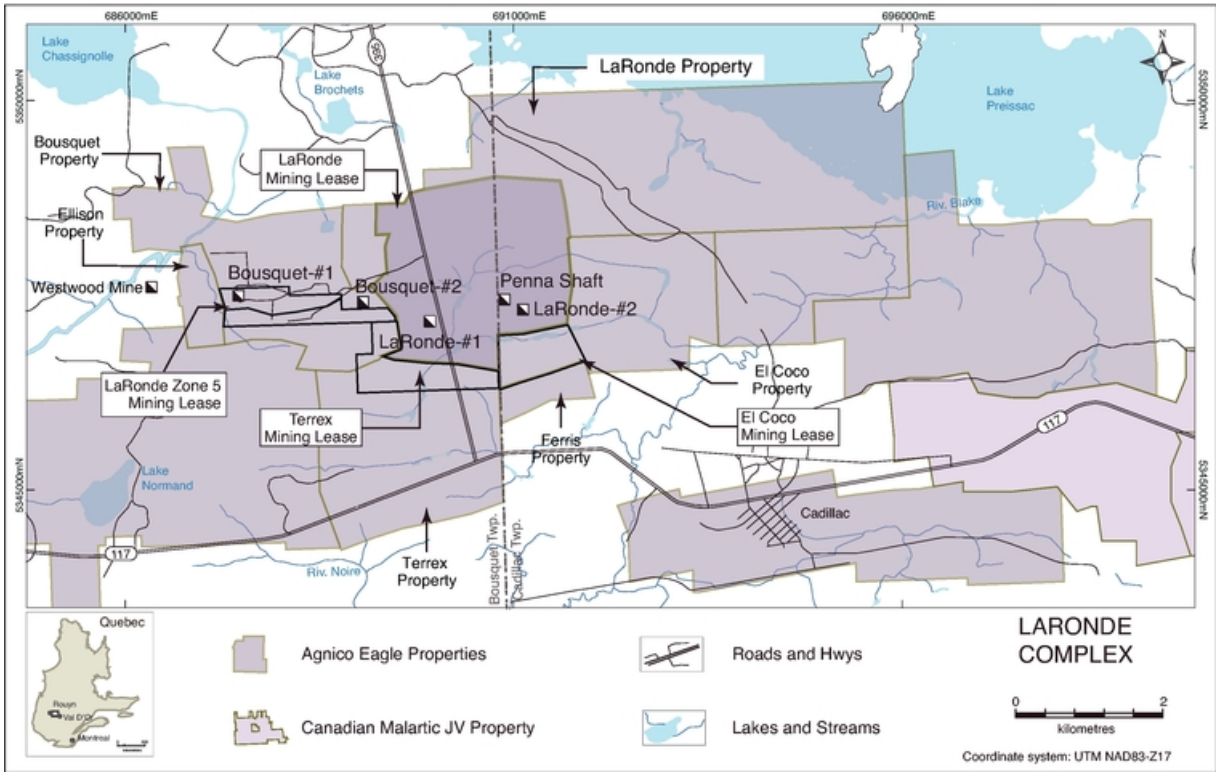
In 2018, the Company continued to develop the LaRonde Zone 5 mine, an underground operation accessed via ramp, with commercial production being achieved on June 1, 2018. The mining method is similar to that currently employed at the LaRonde and Goldex mines (long hole stoping, with cemented paste backfill) and processing uses excess capacity from the Lapa circuit at LaRonde.

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



Mining and Milling Facilities

Surface Plan of the LaRonde Mine (as at December 31, 2018)



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. Many of the delays encountered during 2018 were related to seismicity, as some areas of the mine were under periodic closure to mitigate seismicity risk which results in development delays. The Company expects the levels of seismicity to continue to evolve and the Company continues to adjust the mining methods, ground support, protocols and monitoring to adapt to the evolving levels. As the Company mines deeper at LaRonde, the risks of more frequent and larger seismic events increases. As a result, the Company is studying various design approaches to LaRonde 3 (that portion of the mine located below a depth of 3.1 kilometres).

In 2018, the Company continued to develop the main ramp below level 311 toward deeper levels of the mine. In 2019, the Company expects to continue development of the deeper levels of the mine and to begin construction of an underground cooling plant.

Mining Methods

The primary source of ore at the LaRonde mine continues to be from underground mining methods. During 2018, two mining methods were used: longitudinal retreat with paste backfill and transverse open stoping with paste or unconsolidated backfill. In addition, to address concerns regarding the frequency and intensity of seismic events encountered at the lower levels of the LaRonde mine, a hybrid of these two methods has been used. In the underground mine, sublevels are driven at between 30-metre and 40-metre vertical intervals, depending on the depth. Stopes are undercut in 15-metre wide panels. In the longitudinal method, panels are mined in 15-metre sections and backfilled with cemented paste backfill. In the transverse open stoping method, approximately 50% of the ore is mined in the first pass and filled with cemented paste backfill. On the second pass, the remainder of the ore is mined and filled with unconsolidated waste rock backfill or cemented paste backfill. At the LaRonde Zone 5 mine, the same mining methods are used (longitudinal retreat with paste backfill and transverse open stoping with paste or unconsolidated backfill). The throughput at LaRonde in 2018 averaged 5,775 tonnes per day, compared with 6,185 tonnes per day in 2017.

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

Surface Facilities

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

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

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

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

Production and Mineral Recoveries

During 2018, the LaRonde mine had payable production of 343,686 ounces of gold, 1,160,215 ounces of silver, 9,254 tonnes of zinc and 4,447 tonnes of copper from 2,108,070 million tonnes of ore grading 5.32 grams of gold per tonne and 19.6 grams of silver per tonne, 0.58% zinc and 0.24% copper. The production costs per ounce of gold produced at LaRonde in 2018 were $664. The total cash costs per ounce of gold produced at LaRonde in 2018 were $445 on a by-product basis and were $634 on a co-product basis. The LaRonde processing facility averaged 5,775 tonnes of ore per day and operated 90.6% of available time. Gold and silver recovery averaged 95.4% and 87.6%, respectively. Zinc recovery averaged 76.0% with a concentrate quality of 54.9% zinc. Copper recovery averaged 86.8% with a concentrate quality of 19.2% copper. In 2018, the production costs per tonne at LaRonde were C$139 and the minesite costs per tonne were C$119.

The following table sets out the metal recoveries and concentrate grades at the LaRonde mine in 2018.

		Copper Concentrate (4,193 tonnes produced)		Zinc Concentrate (7,864 tonnes produced)			
	Head Grades	Grade	Recovery	Grade	Recovery	Overall Metal Recoveries	Payable Production
Gold	5.32 g/t	338.79 g/t	69.99%	15 g/t	2.35%	95.38%	343,600 oz
Silver	19.55 g/t	885.19 g/t	49.71%	158 g/t	6.29%	87.55%	1,160,215 oz
Copper	0.243%	19.21%	86.75%	–%	–%	86.75%	4,447 t
Zinc	0.577%	2.42%	4.60%	54.86%	76.03%	80.63%	9,253 t

The following table sets out the metal recoveries at the LaRonde Zone 5 mine in 2018.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.76 g/t	95.98%	18,620 oz

Annual production at the LaRonde mine in 2019 is expected to be approximately 340,000 ounces of gold, 0.96 million ounces of silver, 3,944 tonnes of copper and 10,155 tonnes of zinc from 2.13 million tonnes of ore grading 5.22 grams of gold per tonne, 18.15 grams of silver per tonne, 0.23% copper and 0.69% zinc. The total cash costs per ounce of gold produced in 2019 on a by-product basis are expected to be $467, with estimated gold recovery at 95%, silver recovery of 77.1%, copper recovery of 80.3% and zinc recovery of 69.4%. Gold recovery at the LaRonde mine is distributed approximately as follows: 70.4% in the copper concentrate, 2.8% in the zinc concentrate and 22.1% via leaching. Minesite costs per tonne of C$120 are expected in 2019. In addition, annual production at the LaRonde Zone 5 mine in 2019 is expected to be approximately 40,000 ounces of gold from 0.66 million tonnes of ore grading 2.00 grams per tonne gold, with total cash costs per ounce of gold produced of $811 and estimated gold recovery of 95%.

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 in polishing pond #2. The tailings pond occupies an area of approximately 175 hectares. Waste rock that is not used underground for backfill is brought up to the surface and stored 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 750,000 tonnes of waste and occupying approximately three hectares is located south of the main tailings pond. An old waste rock pile located north of the mill contains approximately 100,000 tonnes of waste. This material will eventually be used at the tailings pond for final shaping prior to reclamation. At the LaRonde Zone 5 mine, a non-acid waste rock pile located north of pit #5 contains approximately 130,000 tonnes of waste and occupies approximately 24 hectares.

Due to the high sulphur content of the LaRonde mine ore, the Company addresses toxicity issues in the tailings ponds, and the effluent has remained non-toxic since 2006. In 2019, 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. This water is then pumped underground for LaRonde mine operations and the remaining available water is directed to the final effluent.

In July 2018, the closure plan for the LaRonde Zone 5 mine was approved by the Quebec regulatory authorities.

A dedicated community relations department has been established at the LaRonde mine to maintain an open channel of communication with the local communities of Cadillac and Preissac to better respond to local concerns with respect to traffic, noise, vibration and seismicity.

Capital Expenditures

Capital expenditures at the LaRonde mine during 2018 were approximately $77.5 million, which included sustaining capital expenditures, deferred expenses and capitalized exploration. Capital expenditures at the LaRonde Zone 5 mine during 2018 were approximately $24.5 million, which included deferred expenses and sustaining capital expenditures. Budgeted 2019 capital expenditures at the LaRonde mine (including the LaRonde Zone 5 mine) are $94.1 million, including capitalized exploration.

Development

At the LaRonde mine in 2018, a total of 13.5 kilometres of lateral development was completed, focused on the preparation of the lower mine production horizon and permanent infrastructure such as the cooling plant and ventilation network. At the LaRonde Zone 5 mine in 2018, 4.1 kilometres of lateral development was completed, focused on the preparation of levels for production and advancing the ramp toward lower levels.

A total of 13.2 kilometres of lateral development is planned for 2019. The main focus of development remains the LaRonde mine extension area and the West mine portion. A total of 4.1 kilometres of lateral development is planned for the LaRonde Zone 5 mine in 2019, to continue to develop the ramp and prepare new levels.

Geology, Mineralization, Exploration and Drilling

Geology

The LaRonde property is located near the southern boundary of the Archean-age (2.7 billion years old) Abitibi Subprovince and the Pontiac Subprovince within the Superior Geological Province of the Canadian Shield. The most important regional structure is the Cadillac-Larder Lake ("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 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 million tonnes have been identified, of which four are (or are believed to be) economic. Gold content is not proportional to the total sulphide content but does increase with copper content. Gold values are also higher in areas where the pyrite lenses are crosscut by tightly spaced north-south fractures.

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

The Company believes that Zone 20 North is one of the largest gold bearing massive sulphide mineralized zones in the world and one of the largest known mineralized zones in the Abitibi region of Ontario and Quebec. Zone 20 North contains the majority of the mineral reserves and mineral resources at the LaRonde mine, including 16.3 million tonnes of proven and probable mineral reserves grading 5.87 grams of gold per tonne, representing 99% of the total proven and probable mineral reserves at the LaRonde mine, 4.4 million tonnes of indicated mineral resources grading 3.28 grams of gold per tonne, representing 91% of the total measured and indicated mineral resources at the LaRonde mine, and 3.6 million tonnes of inferred mineral resources grading 6.06 grams of gold per tonne, representing 66% 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 245 and from the internal shaft on levels 257 and 278), the transformation from a zinc/silver orebody to a gold/copper deposit was effectively completed in 2017. The development of the western part of the mine, between Levels 278 and 314, provided access to a new zinc/silver rich sector beginning at the end of 2017.

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

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

Exploration and Drilling

Diamond drilling is used for exploration on the LaRonde property. In 2018, 20 holes (7,707 metres) were drilled for definition (conversion) and 39 holes (16,593 metres) were for exploration. Expenditures on diamond drilling at the LaRonde mine during 2018 were approximately C$3.2 million, including C$1.4 million in drilling expenses charged to capital costs at the LaRonde mine, and C$1.8 million expensed as exploration drilling. No exploration drilling was performed at the LaRonde Zone 5 mine in 2018.

The main focus of the 2018 exploration program was continuing the investigation and conversion of Zone 20 North at depth and to the west, mainly in the eastern portion of the mine by extending the drilling targets down to 3.5 kilometres depth, and exploration of the Zone 6 and 7 horizons at depth from the accesses developed toward the west on Levels 292 to 311. The 2018 conversion program on Zone 20 North was focused on infill drilling in the eastern part of LaRonde 3 and conversion from inferred to indicated mineral resources between 3.4 and 3.5 kilometres depth, in the center and eastern portions of the deposit. The positive results obtained in this program over the past three years allowed the addition of probable mineral reserves from level 311 to level 335. The conversion program is expected to continue in 2019, and will investigate the possibility of extending indicated resources down to 3.5 kilometres depth. Drilling for Zone 6 from levels 292 to 311 returned positive results allowing for the declaration of initial inferred resources at depth between levels 308 and 323. In 2019, drilling for Zone 6 will continue to investigate the extent of the mineralization at depth and to the west. No exploration drilling is expected to be performed in 2019 at the LaRonde Zone 5 mine.

In 2019, the Company expects to spend C$0.7 million on 4,800 metres of definition (conversion) drilling and C$1.5 million on 9,790 metres of exploration drilling, for a total of C$2.2 million at the LaRonde mine.

Mineral Reserves and Mineral Resources

The combined amount of gold in underground proven and probable mineral reserves at the LaRonde mine at the end of 2018 was 3.1 million ounces (16.4 million tonnes of ore grading 5.85 grams of gold per tonne, 18.2 grams of silver per tonne, 0.26% copper and 0.86% zinc), which represents an increase of 434,000 contained ounces of gold from the end of 2017, after producing 343,686 ounces of gold (360,573 ounces *in situ* gold mined in 2018). The increase in mineral reserves is principally associated with the conversion of mineral resources to mineral reserves in LaRonde 3 (that portion of the mine located below a depth of 3.1 kilometres) partially offset by ore mined during 2018. The mineral reserve gold grade increased from 5.39 grams of gold per tonne at the end of 2017 to 5.85 grams of gold per tonne at the end of 2018. Underground indicated mineral resources at the LaRonde mine decreased by 2.9 million

tonnes to a total of 4.9 million tonnes grading 3.25 grams of gold per tonne, 25.3 grams of silver per tonne, 0.16% copper and 0.97% zinc, primarily due to the conversion of indicated mineral resources into mineral reserves in LaRonde 3, as described above. Underground inferred mineral resources at the LaRonde mine increased by 0.2 million tonnes to a total of 5.5 million tonnes grading 4.95 grams of gold per tonne, 14.3 grams of silver per tonne, 0.24% copper and 0.63% zinc.

The combined amount of gold in underground proven and probable mineral reserves at the LaRonde Zone 5 mine at the end of 2018 was 0.7 million ounces (9.4 million tonnes of ore grading 2.25 grams of gold per tonne), which represents an increase of 280,000 contained ounces of gold from the end of 2017, after producing 18,620 ounces of gold (19,930 ounces *in situ* gold mined in 2018). The increase in mineral reserves is principally associated with the addition of mineral reserves in levels 36 to 48 beneath the current workings, and in an area beneath the nearby Zone 11-3, partially offset by ore mined during 2018. The mineral reserve grade increased from 2.00 grams of gold per tonne at the end of 2017 to 2.25 grams of gold per tonne at the end of 2018. Underground indicated mineral resources at the LaRonde Zone 5 mine decreased by 2.5 million tonnes to a total of 6.8 million tonnes grading 2.34 grams of gold per tonne, primarily due to the conversion of indicated mineral resources into mineral reserves in the areas described above. Underground inferred mineral resources at the LaRonde Zone 5 mine increased slightly to a total of 3.0 million tonnes grading 5.19 grams of gold per tonne.

Lapa Mine

The Lapa Mine ceased mining operations in December 2018. 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.

During 2018, the Lapa mine had payable production of 34,026 ounces of gold from 0.3 million tonnes of ore grading 4.24 grams of gold per tonne. The production costs per ounce of gold produced at Lapa in 2018 were $819. The total cash costs per ounce of gold produced at Lapa in 2018 were $872 on a by-product basis and $873 on a co-product basis. The production costs per tonne at Lapa were C$115 and the minesite costs per tonne were C$123 in 2018. In 2018, the Company incurred no capital expenditures at the Lapa mine. No capital expenditures at the Lapa mine are expected in 2019.

The following table sets out the metal recoveries at the Lapa mine in 2018.

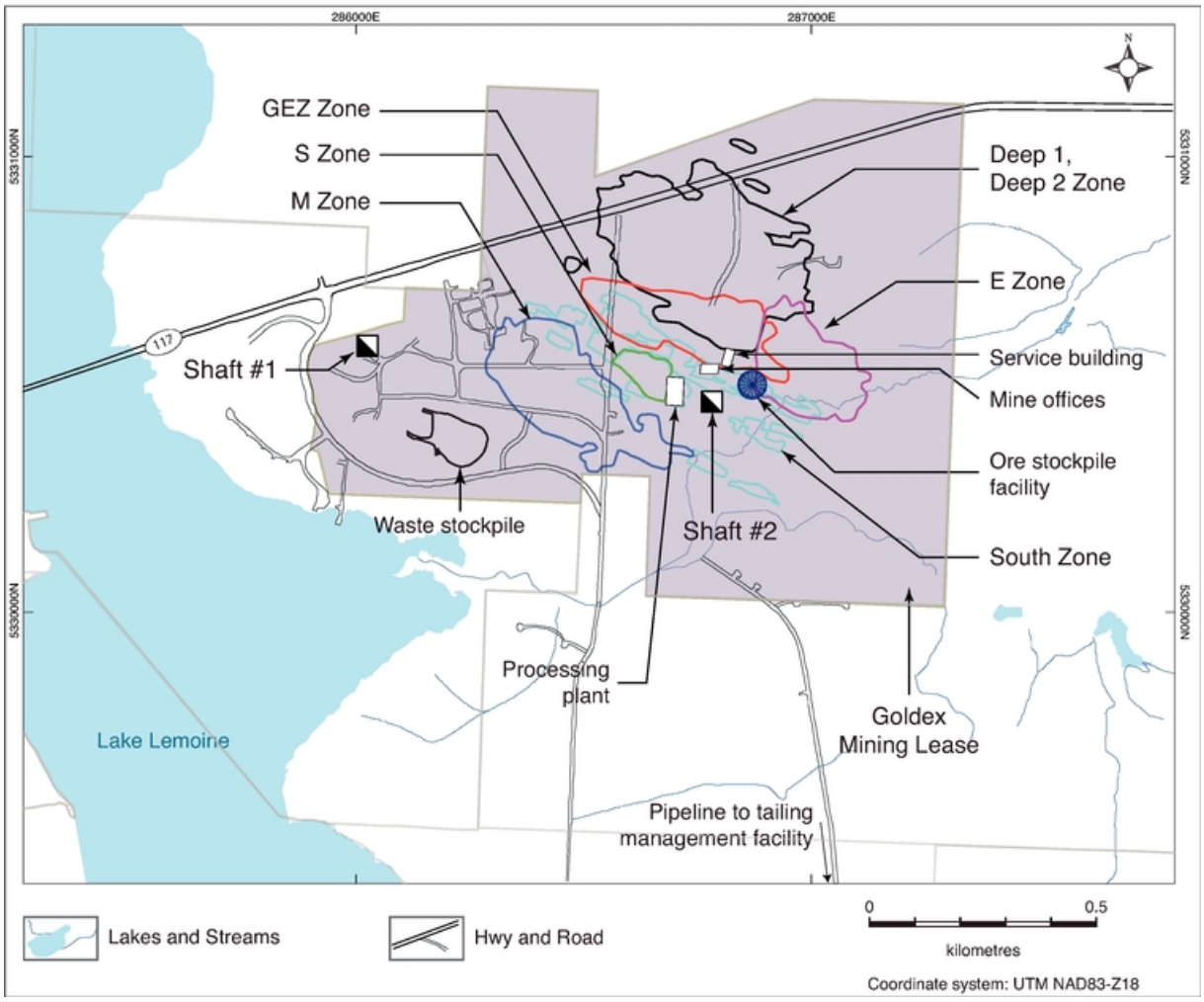
	Head Grade	Overall Metal Recovery	Payable Production
Gold	4.24 g/t	83.1%	34,026 oz

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, 2018 were estimated at approximately 0.9 million ounces of gold comprised of 18.9 million tonnes of ore grading 1.58 grams of gold per tonne. The Company's Akasaba West property, a gold-copper deposit, is located less than 30 kilometres from Goldex. The proven and probable mineral reserves at Akasaba West as at December 31, 2018 were estimated at approximately 147,000 ounces of gold and 25,832 tonnes of copper comprised of 5.4 million tonnes of ore grading 0.84 grams of gold per tonne and 0.48% of copper. Unless otherwise specified, the data presented in this section does not include the Akasaba West property.

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 one provincial mining lease. 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. The Akasaba West property is comprised of eight contiguous mining claims for a total of 241 hectares. The claims are renewable every second year upon payment of a small fee.

Location Map of the Goldex Mine (as at December 31, 2018)



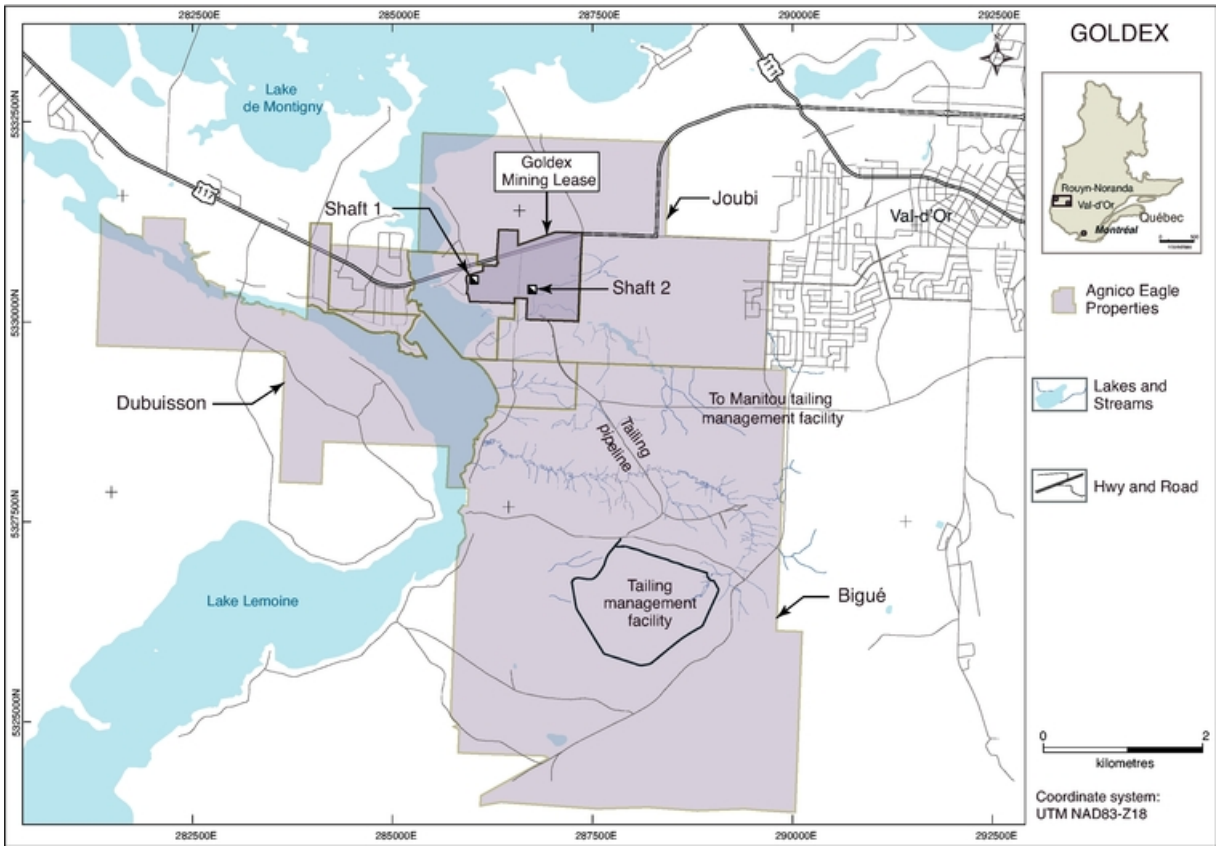
Agnico Eagle has held a 100% interest in the Goldex property since December 1993. In July 2012, the Company approved the development of the M and E Zones of the Goldex mine and commercial production was achieved in October 2013. Development work is continuing underground on the M and E Zones. The Company does not expect to produce more gold from the GEZ until geotechnical concerns with the rock above the mining horizon are resolved, which may never occur.

In January 2014, the Company acquired the Akasaba West property.

In 2015, the Goldex Deep 1 project was approved for production by Agnico Eagle's board of directors (the "Board" or "Board of Directors") and the Deep 1 project achieved commercial production on July 1, 2017. The Company has focused on mining 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, using Goldex infrastructure, equipment and personnel. The mining method at the Deep 1 project is long-hole stoping with cemented paste backfill, which is the same method currently used at the M and E Zones.

Mining and Milling Facilities

Surface Plan of the Goldex Mine (as at December 31, 2018)



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 used for ventilation of the underground workings. In 2018, the Shaft #1 headframe was dismantled and the surface area rehabilitated as part of the ongoing rehabilitation program.

The current operating shaft was completed in 2007. This shaft (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 is used for getting material into the mine and as an emergency exit.

In 2018, the Company approved the development of an exploration ramp for the Deep 2 Zone which will start at level 120 and will end at level 130. The new primary network for ventilation was put in place in 2018, and a second primary ventilator will be installed in 2019 to permit an increase in production to 6,000 tonnes per day for the Deep 1 Zone.

Mining Method

The Company mines the M and E Zones using primary and secondary longhole stoping methods. Drilling is carried out with ITH drills. Production holes are either 4.5 or 6.5 inches in diameter. Bulk emulsion is used as the primary explosive for stope blasting. For both zones, stopes are approximately 55 metres high. The width and length of individual stopes vary based on local rock mass quality, but an average stope is expected to range between 20,000 and 120,000 tonnes. Ore handling in the M Zone is done with 15 yard load-haul-dump 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 used in the M and E Zones is used in the Deep 1 Zone, except that a Rail-Veyor system is used for ore handling between the lowermost level of Deep 1 (Level 120) and the current ore handling facilities (Level 76). The Rail-Veyor loading system on Level 120 is fed via a rock breaker room at Level 115. For Levels 85 to 115, 15 yard load haul dump machines unload into an ore pass reporting to the rock breaker room on Level 115. For the stopes on Level 120, 45 tonne trucks are used for ore handling to Level 115.

In 2018, the Company completed a test stope within the South Zone to validate the grade and the mining parameters. Following the test stope, a sector of the South Zone was added to the mine plan for 2019 and 2020. The South Zone will be mined using the longitudinal retreat method with a height of 25 metres between levels. The levels are located between the elevations of 970 metres and 1,060 metres. This mining method was selected due to the narrow nature of the deposit (3 metre minimum). Ore handling will be done with 11-yard load haul dump machines and 45-tonne trucks.

The Akasaba West project is expected to be mined over four years by open pit methods using a conventional shovel/truck operation. The mining rate is expected to be an average of 10,000 tonnes per day (waste and ore) and will feed the Goldex concentrator at a rate of 2,800 tonnes of ore per day. The Akasaba West project is expected to create flexibility and synergies for the Company's operations in the Abitibi region by using extra milling capacity at both Goldex and LaRonde, while reducing costs of production.

Surface Facilities

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

In 2013, a new backfill plant was built on the site. The 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 by two positive displacement pumps. Currently, the capacity of the backfill plant is approximately 9,000 tonnes per day.

Gold from Akasaba West will be first recovered in the Goldex gravity separation circuit where 20% of the gold is expected to be recovered. The remaining recoverable gold and copper will be recovered in the Goldex bulk sulphide flotation concentrate. The sulphide bulk concentrate from Goldex Deep and Akasaba West will be transported by truck to the LaRonde mine where the remaining gold and copper will be recovered through the LaRonde copper flotation circuit.

Production and Mineral Recoveries

During 2018, the Goldex mine had payable production of 121,167 ounces of gold from 2.6 million tonnes of ore grading 1.54 grams of gold per tonne. The production costs per ounce of gold produced at Goldex in 2018 were $648. The total cash costs per ounce of gold produced at Goldex in 2018 were $646 on a by-product basis and on a co-product basis and the processing facility averaged 7,192 tonnes of ore per day and operated 95.8% of available time. During 2018, gold recovery averaged 93.1%. The production costs per tonne at Goldex were C$39 and the minesite costs per tonne were C$39 in 2018.

The following table sets out the metal recoveries at the Goldex mine in 2018.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	1.54 g/t	93.14%	121.167 oz

Gold production during 2019 at the Goldex mine is expected to be approximately 115,000 ounces from 2.45 million tonnes of ore grading 1.57 grams of gold per tonne at estimated total cash costs per ounce of approximately $682 on a by-product basis, with estimated gold recovery of 93%. Minesite costs per tonne of approximately C$41 are expected in 2019.

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 of Goldex tailings at the Manitou site, a tailings site formerly used by an unrelated third party and abandoned to the Quebec government. The Manitou tailings site has issues relating to acid drainage, and the construction of tailings facilities by the Company and the deposit of tailings from 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 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.

The Akasaba West project requires both provincial and federal permitting. The permitting process is ongoing and the Company continues to review the timeline for the integration of the Akasaba West project into the Goldex production profile.

Capital Expenditures

Capital expenditures at the Goldex mine during 2018 were approximately $52.9 million, which included sustaining capital expenditures, deferred expenses and capitalized exploration expenses. Total estimated capital expenditures for 2019 are $39.3 million, including capitalized exploration expenses.

Development

During 2018, approximately 8,155 metres of lateral development were completed at the Goldex mine. A total of 1,725 metres of vertical development was also completed in order to establish both the ore pass system servicing the Deep Zone and the ventilation network servicing the Deep 1 and Deep 2 Zones. Two levels of the South Zone were also developed to test its continuity. A total of 546 metres were developed in the South Zone in 2018.

A total of 8,300 metres of lateral development is planned for all zones in 2019, including 532 metres to develop an exploration ramp for the Deep 2 project. Also, a total of 1,080 metres of vertical development is planned to extend the ore pass system and to ensure proper ventilation of 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.

The Akasaba West property is located in the Southern Volcanic Zone of the Abitibi Greenstone Belt within the South Domain of the Malartic Composite Block. The southern part of the property also hosts rocks from the Piché and Cadillac groups and from the Pontiac Subprovince. The east-west trending Larder Lake – Cadillac tectonic zone crosses the Akasaba West property in its southern portion.

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.

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

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

The mineralization zone on the Akasaba West property consists of a low grade mineralized envelope characterized by the widespread presence of finely disseminated chalcopyrite, the mineralization is primarily contained within the quartz-diorite unit.

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.

Diamond drilling at Goldex in 2018 totaled 447 holes for a total length of 84,353 metres. Of this total, 136 holes (32,896 metres) were for exploration of the E, Deep 1, Deep 2 and South zones at a cost of $1.7 million, 11 holes (8,468 metres) were for expensed exploration drilling of Deep 3 and Joubi at a cost of $0.9 million, 216 holes

(32,506 metres) were for conversion drilling, of M, E, Deep 1, Deep 2 and South zones, at a cost of $2.1 million, 77 holes (9,525 metres) were delineation drilling in the M and Deep 1 zones at a cost of $0.5 million and seven holes (958 metres) were drilled for the engineering and mining departments at a cost of $0.1 million.

In 2019, the Company expects to spend $5.7 million on approximately 60,000 metres of drilling, including 7,000 metres of capitalized surface and underground exploration drilling, 46,800 metres of capitalized underground conversion drilling, 6,000 metres of delineation drilling and 200 metres of engineering and mine drilling at Goldex. No expensed exploration drilling is planned in 2019 at the Goldex mine.

Mineral Reserves and Mineral Resources

The combined amount of gold in underground proven and probable mineral reserves at the Goldex mine at the end of 2018 was 1.0 million ounces (18.9 million tonnes of ore grading 1.58 grams of gold per tonne), which represents a slight increase of gold in mineral reserves from the end of 2017, after producing 121,167 ounces of gold (129,954 ounces *in situ* gold mined). The increase is largely due to the successful conversion of mineral resources to mineral reserves, mainly in the Deep 1 and Deep 2 zones, as well as in the South and E Zones, offset by ore mined during 2018. Measured and indicated underground mineral resources at the Goldex mine decreased by 2.9 million tonnes to 27.8 million tonnes grading 1.88 grams of gold per tonne, primarily due to the transfer of indicated mineral resources into mineral reserves, as described above, partially offset by the conversion of inferred mineral resources to indicated mineral resources. In 2018, there was an increase in underground inferred mineral resources of approximately 0.9 million tonnes to 27.8 million tonnes grading 1.50 grams of gold per tonne. This increase in the inferred mineral resources was primarily due to positive drilling results in the Deep 2 and South zones, resulting in new inferred mineral resources which was partially offset by the inferred mineral resources converted to indicated mineral resources in these two zones.

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, 2018, the Canadian Malartic mine was estimated to have proven and probable mineral reserves containing approximately 2.8 million ounces of gold comprised of 78.8 million tonnes of ore grading 1.10 grams per tonne (representing the Company's 50% interest).

The Company acquired its 50% interest in the Canadian Malartic mine on June 16, 2014 through its joint acquisition of Osisko with Yamana. See "General Development of the Business – Pre-2016" 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, six mining leases and 272 mining claims. Expiration dates for the mining leases on the Canadian Malartic property vary between March 23, 2019 and July 27, 2037, and each lease is automatically renewable for three further ten-year terms upon payment of a small fee.

The Canadian Malartic mine can be accessed from either Val d'Or in the east or Rouyn-Noranda in the west via Quebec provincial highway No. 117. A paved road running north-south from the town of Malartic towards Mourier Lake cuts through the central area of the Canadian Malartic property. The Canadian Malartic property is further accessible 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 135 metre wide buffer zone has been developed along the northern limit of the open pit to mitigate the impacts of mining activities on the citizens of Malartic. Inside this buffer zone, a landscaped ridge was built primarily using rock and topsoil produced during pre-stripping work.

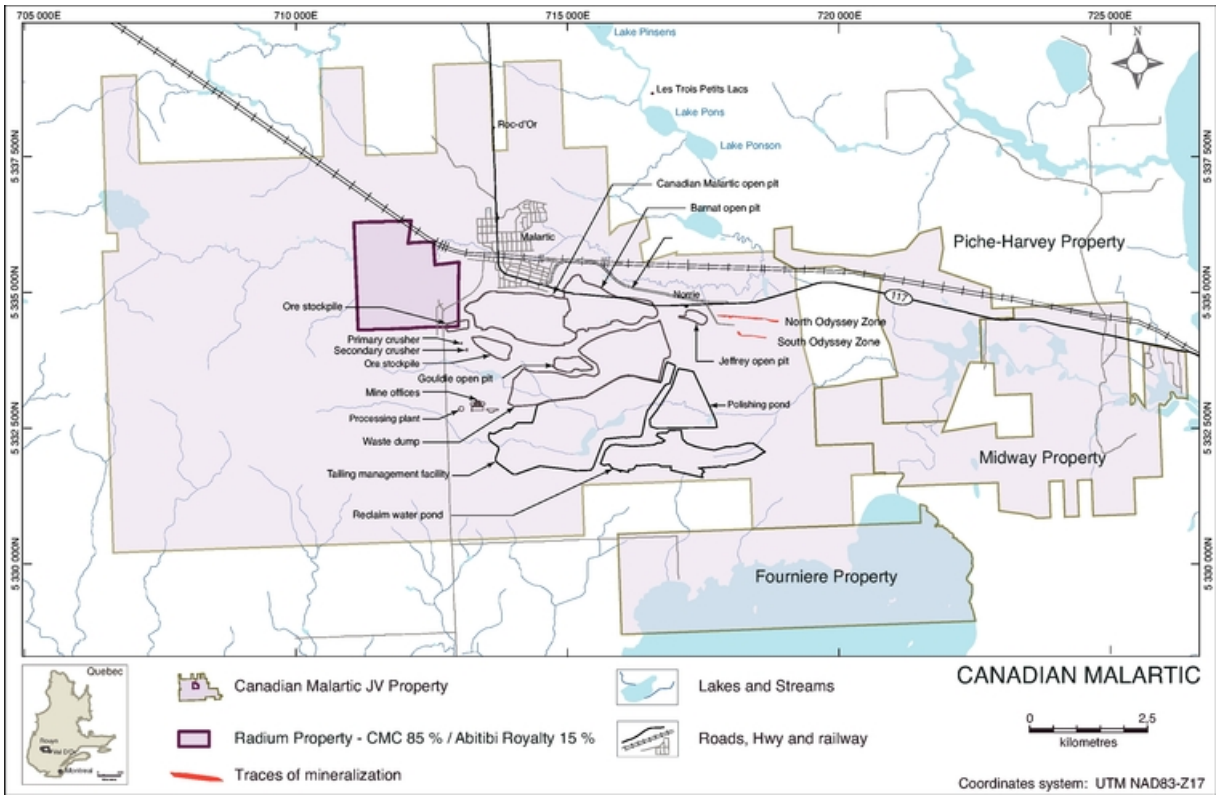
Most of the mining claims are subject to a 5% net smelter return royalty payable to New Osisko. The mining claims comprising the CHL Malartic prospect at Canadian Malartic are subject to 3% net smelter return royalties payable to each of New Osisko and Abitibi Royalties Inc. In addition, 101 of the mining claims at the Canadian Malartic property are also subject to other net smelter return royalties that vary between 1% and 2%, payable under varying

circumstances. In 2018, the Partnership, which is the operator of the Canadian Malartic mine, paid C$71.9 million in the aggregate with respect to these net smelter return royalties, and expects to pay approximately C$62.8 million in 2019.

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 March 31, 2011, the Canadian Malartic mine had received all formal government permits required for its construction and related activities. 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, 2018)



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 Quebec Bureau d'audiences publiques sur l'environnement ("BAPE") issued a report on the Canadian Malartic pit extension on October 5, 2016. The BAPE report concluded that the project is acceptable and provided several recommendations intended to enhance social acceptability. The Quebec government issued a decree authorizing both the pit extension and deviation of Quebec provincial highway No. 117 on April 12, 2017. The authorizing decree is subject to an application for judicial review (see "Legal Proceedings and Regulatory Actions – Canadian Malartic"). In 2018, development activities focused on the road deviation of Quebec provincial highway No. 117 continued, including overburden stripping and tailings expansion. The highway deviation is expected to be completed in late 2019, and production activities at Barnat are scheduled to begin in late 2019, following completion of the highway deviation.

Mining Methods

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

The throughput at the Canadian Malartic mine in 2018 averaged 56,120 tonnes per day, compared with 55,774 tonnes per day in 2017. The increased throughput in 2018 was largely due to mill optimization, additional crushed ore from the portable crusher and mill stability.

Surface Facilities

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

Ore is processed through conventional cyanidation. Ore blasted from the pit is first crushed by a gyratory crusher followed by secondary crushing prior to grinding. Ground ore feeds successively into leach and CIP circuits. A Zadra elution circuit is used to extract the gold from the loaded carbon. Pregnant solution is processed 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

During 2018, Agnico Eagle's 50% share of the Canadian Malartic mine's payable production was 348,600 ounces of gold and 436,710 ounces of silver from 10.2 million tonnes of ore grading 1.20 grams of gold per tonne and 1.8 grams of silver per tonne. The production costs per ounce of gold produced at Canadian Malartic in 2018 were $573. The total cash costs per ounce of gold produced at Canadian Malartic in 2018 were $559 on a by-product basis and $579 on a co-product basis. The Canadian Malartic processing facility averaged 56,121 tonnes per day and operated approximately 95.5% of available time. Gold and silver recovery averaged 88.3% and 76.0%, respectively. The production costs per tonne at Canadian Malartic and the minesite costs per tonne were both C$25 in 2018.

The following table sets out the metal recoveries at the Canadian Malartic mine on a 100% basis in 2018.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	1.20 g/t	88.3%	697,200 oz
Silver	1.75 g/t	76.0%	873,420 oz

The Company's 50% share of annual production at the Canadian Malartic mine in 2019 is expected to consist of approximately 330,000 ounces of gold and 280,000 ounces of silver from 10.0 million tonnes of ore grading 1.16 grams of gold per tonne and 1.16 grams of silver per tonne. The total cash costs per ounce in 2019 are expected to be approximately $576 per ounce on a by-product basis, with estimated gold recovery of 88.5% and silver recovery of 75.2%. Minesite costs per tonne of approximately C$25 are expected in 2019.

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, over time, the Partnership has improved its environmental performance compared to previous years. With respect to activities in 2018, the Partnership received one non-compliance blast notice, a decrease from the three notices received with respect to activities in 2017. 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.

Since the spring of 2015, the Partnership has been working collaboratively with the community of Malartic and its citizens to develop a "Good Neighbour Guide" that addresses the allegations contained in the class action lawsuit. Implementation of the Good Neighbour Guide, which includes a compensation program and a home acquisition program, began on September 1, 2016. Under the compensation program, over 90% of the residents of Malartic have agreed to settle their claims for the compensation offered by the Company. Compensation offered to eligible residents of the northern sector of Malartic in 2017 was paid in the first quarter of 2018. Compensation offered to eligible residents of the southern sector of Malartic, who are also members of the above-noted class action, was paid in the third and fourth quarters of 2018 following a final judgment that allowed these residents to individually settle with the Partnership until the end of the class action opt-out period. Compensation offered to both eligible residents of the northern and southern sectors of Malartic in 2018 will be paid in the first quarter of 2019, as the class action opt-out period will not be completed prior to then. To date, 42 residences have been acquired in the southern sector of Malartic under the acquisition program of the Good Neighbour Guide, of which 16 of them have subsequently been sold under the Partnership's resale program that was implemented in April 2018.

As part of ongoing stakeholder engagement, the Partnership is in discussions with four First Nations groups concerning a potential memorandum of understanding, which is expected to also include a financial component. As with the Good Neighbour Guide and other community relations efforts at Canadian Malartic, the Company is working collaboratively with stakeholders to establish cooperative relationships that support the long-term potential of the mine.

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

The expansion of the open pit, with the production from the Canadian Malartic pit extension, will increase the total amount of tailings to approximately 340 million tonnes over the life of mine. The total capacity of the current tailings management facility is estimated to be 230 million tonnes, including a tailings cell authorized by the Ministry of Sustainable Development, Environment and the Fight Against Climate Change (Quebec) in September 2017. Construction of this cell started in 2017 and began operation in 2018. In addition, the Partnership plans to store additional tailings in the Canadian Malartic pit at the end of its operations. According to the mine plan, between 100 and 150 million tonnes of tailings could be deposited in the Canadian Malartic pit once mining in the pit is completed.

Regulatory approval for the proposed tailings deposition in the Canadian Malartic pit is part of the approval process for the Canadian Malartic pit extension. Golder Associates Ltd. is preparing a hydrogeological study to demonstrate that the Canadian Malartic pit would provide a hydraulic trap and contain the tailings with minimal environmental risk. All permits related to the Canadian Malartic pit extension have been received.

An annual hydrological site balance is maintained to provide a yearly estimate of water volumes that must be managed in the different structures of the water management system of the Canadian Malartic mine during an

average climatic year (in terms of precipitation). Results of this hydrological balance indicate that excess water from the southeast pond may have to be released into the environment. A water treatment plant treats the water to be released into the environment so that the water meets water quality requirements. This water treatment plant reduces the risks associated with surface water management and adds flexibility to the water usage system.

Reclamation and closure costs have been estimated for rehabilitating the tailings facility and waste dump, vegetating the surrounding area, dismantling the plant and associated infrastructure and performing environmental inspection and monitoring for a period of ten years. In accordance with applicable regulations, financial guarantees have been provided for these estimated reclamation and closure costs.

Capital Expenditures

The Company's portion of capital expenditures at the Canadian Malartic mine during 2018 were approximately $82.8 million, which included sustaining capital expenditures, deferred expenses and capitalized exploration. The Company's portion of budgeted 2019 capital expenditures at the Canadian Malartic mine are $85.0 million, including capitalized exploration expenditures.

Development

Development activities at the Canadian Malartic mine in 2018 were focused on the pit extension and deviation of Quebec provincial highway No. 117. A temporary bridge over Quebec provincial highway No. 117 was commissioned and several milestones were achieved relating to the road construction. Overburden stripping also continued in 2018. Development activities in 2019 are expected to include additional stripping activities in the extension area, topographical blasting, road deviation preparation, old pit and caved areas filling and other field works.

Geology, Mineralization, Exploration and Drilling

Geology

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

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

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

Mineralization

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

deposit. 1.5 kilometres to the east is the Odyssey deposit, with mineralization associated with a fault along both hanging wall and footwall contacts of a 300 metre wide dioritic intrusive.

Mineralization in the Canadian Malartic deposit occurs as a continuous shell of 1% to 5% disseminated pyrite associated with fine native gold and traces of chalcopyrite, sphalerite and tellurides. The gold 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.

Diamond drilling is used for exploration on the Canadian Malartic property. In 2018, 83 holes (74,802 metres) were drilled for definition (conversion) drilling and seven holes (10,976 metres) were drilled for exploration drilling. Exploration expenditures at the Canadian Malartic mine during 2018 were approximately C$5.9 million (50% basis). The main focus of the 2018 exploration program concentrated on lateral and vertical extensions to a depth of one kilometre at the Barnat, Sheehan, Sladen and East Malartic zones.

In 2018, regional exploration on the Canadian Malartic property, other than the pit area, involved the drilling of 107 holes (49,776 metres) for definition (conversion) drilling of the Odyssey Zone and 30 holes (16,925 metres) for exploration drilling in the Midway and 117 Zone targets. Regional exploration expenditures at the Canadian Malartic mine during 2018 were approximately C$5.3 million (50% basis). The main focus of the 2018 regional 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 2019, the Company expects to spend $2.3 million for 29,000 metres of exploration and conversion drilling focused on increasing the known mineralization.

Mineral Reserves and Mineral Resources

The combined amount of gold in proven and probable open pit mineral reserves at the Canadian Malartic mine at the end of 2018 was 2.8 million ounces (78.8 million tonnes of ore grading 1.10 grams of gold per tonne), which represents a decrease of approximately 409,000 ounces of gold as compared to the end of 2017, after producing 348,600 ounces of gold (395,141 ounces *in situ* gold mined). The reduction in mineral reserves was principally associated with ore mined during 2018. Measured and indicated open pit and underground mineral resources at the Canadian Malartic mine decreased by 3.8 million tonnes to 9.2 million tonnes grading 1.48 grams of gold per tonne, primarily due to the re-assignment of the Barnat Deep area indicated mineral resources (which had been assigned to the Canadian Malartic mine in 2017) to the East Malartic deposit in 2018. Open pit and underground inferred mineral resources at the Canadian Malartic mine decreased by 2.1 million tonnes in 2018 to 2.7 million tonnes grading 1.23 grams of gold per tonne, mainly due to the re-assignment of inferred mineral resources at Barnat Deep to the East Malartic deposit, as described above. As at December 31, 2018, the East Malartic deposit has underground indicated mineral resources of 5.3 million tonnes grading 2.13 grams of gold per tonne and underground inferred mineral resources of 22.0 million tonnes grading 1.98 grams of gold per tonne. As of the same date, the nearby Odyssey deposit had underground indicated mineral resources of 1.0 million tonnes grading 2.11 grams of gold per tonne and inferred mineral resources of 11.5 million tonnes grading 2.19 grams of gold per tonne. All mineral reserve and mineral resource estimates for Canadian Malartic, East Malartic and Odyssey reflect Agnico Eagle's indirect 50% ownership in the mine.

Kittila Mine

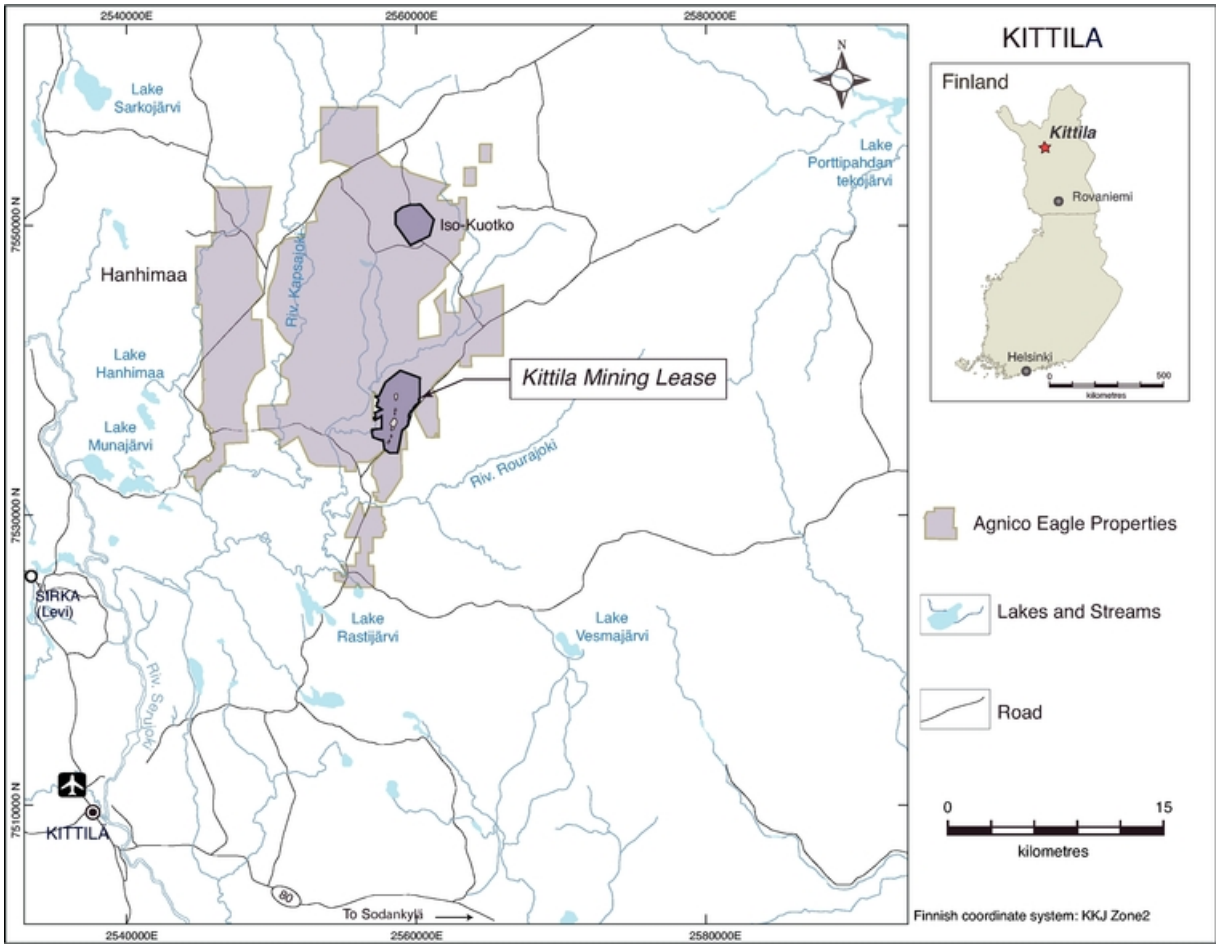
The Kittila mine, which commenced commercial production in May 2009, is located in northern Finland approximately 900 kilometres north of Helsinki and 50 kilometres northeast of the town of Kittila. At December 31, 2018, the Kittila mine was estimated to contain proven and probable mineral reserves of 4.4 million ounces of gold comprised of 30.5 million tonnes of ore grading 4.50 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 87 individual tenements. The tenements form a continuous block around the Kittila and Kuotko mining licences. The block has been divided into the Suurikuusikko area (which includes the Rouravaara area), the Suurikuusikko West area, the Suurikuusikko East area, the Hanhimaa area and the Kittila and Kuotko mining licences. The Kuotko mining licence is located approximately 15 kilometres north of the Kittila mine.

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

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

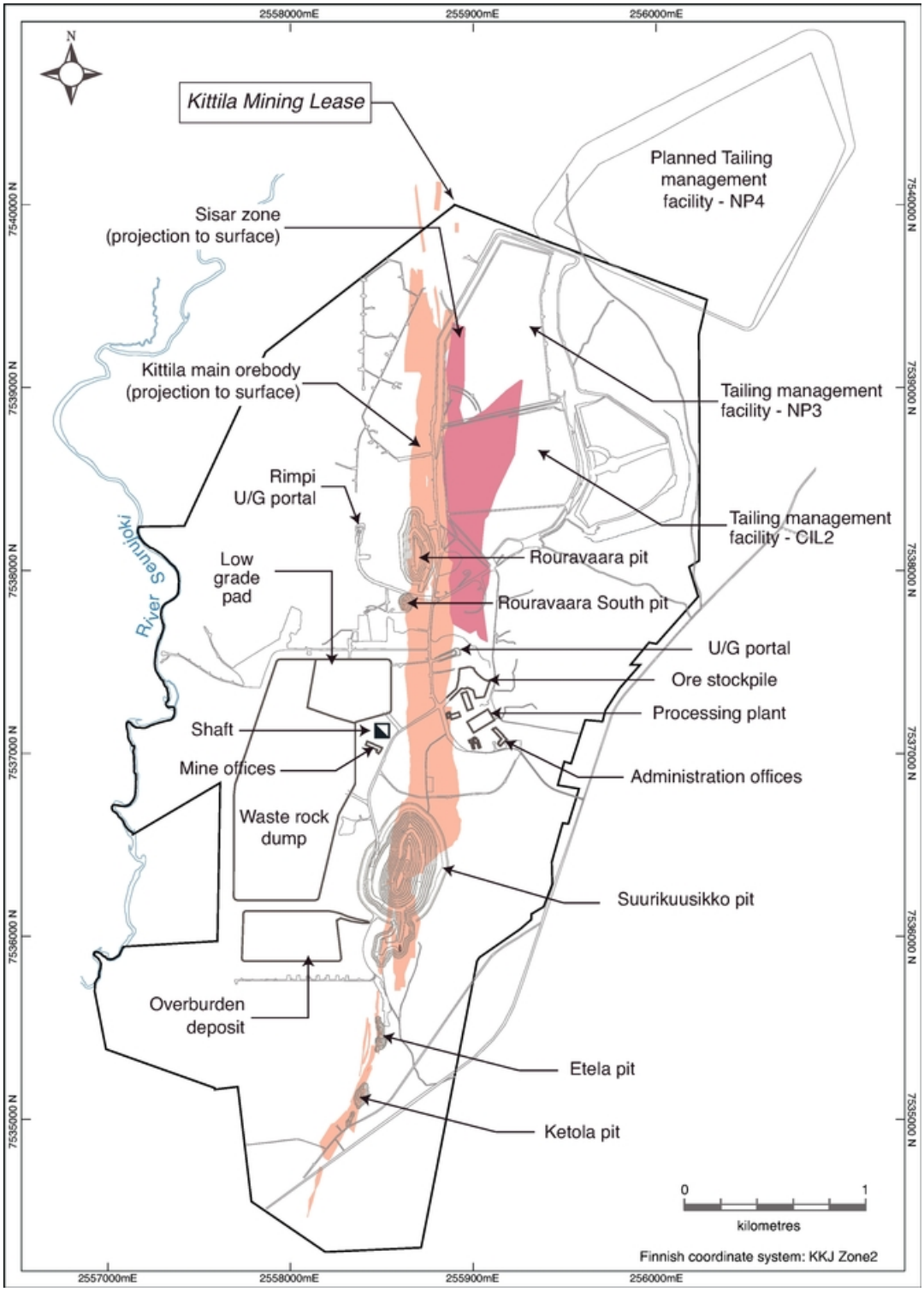
Location Map of the Kittila Mine (as at December 31, 2018)



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

Mining and Milling Facilities

Surface Plan of the Kittila Mine (as at December 31, 2018)



The orebodies at Kittila were initially mined from two open pits, followed by underground operations accessed by ramp to mine the deposits further beneath the surface. Smaller additional open pits may be used to mine any remaining mineral reserves close to the surface in the future. As of December 31, 2018, a total of 13.1 million tonnes of ore have been processed, including ore from the open pits and underground, 0.1 million tonnes of ore are currently stockpiled and 41.3 million tonnes of waste rock have been excavated, including both open pit and underground excavation. Work continued throughout 2018 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 2018 was approximately 110.6 kilometres. Underground mining commenced in the fourth quarter of 2010 and, at the end of 2018, a total of 9.7 million tonnes of ore has been mined from the underground portion of the mine.

In 2018, the Company commenced construction of the shaft and mill expansion, which is expected to continue until the beginning of 2021. In addition, construction of the Rimpi paste backfill plant and the central pumping station commenced, as well as continued construction of the up-stream raise of the NP3 tailings storage facility ("TSF"). In 2019, the Company expects to commission the Rimpi paste backfill plant and the central pumping station and commence construction of the discharge pipeline and the new main level in the underground 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 16,000 metres of tunnels will be developed each year. After extraction, stopes are filled with paste backfill or cemented backfill to enable the safe extraction of ore in adjacent stopes. Ore is trucked to the surface crusher via the ramp access system. On February 14, 2018, the Board approved the construction of a 1,044 metre deep shaft, a processing plant expansion as well as other infrastructure and service upgrades. The construction of the shaft is expected to be completed by 2021 and remains on schedule.

Surface Facilities

Construction of the processing plant and associated equipment was completed in 2008. Facilities at the Kittila mine include office buildings, a maintenance facility for mining equipment, a warehouse, a second maintenance shop, an oxygen plant, a processing plant, a paste backfill plant, a tank farm, a crusher, conveyor housings, an ore bin and a sulfate removal plant at the NP3 tailings area. In addition, there are several temporary structures used for contractor offices and work areas.

The 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 2018, the Kittila mine had payable production of 188,979 ounces of gold from 1.83 million tonnes of ore grading 3.80 grams of gold per tonne. The production costs per ounce of gold produced at Kittila in 2018 were $831. The total cash costs per ounce of gold produced at Kittila in 2018 were $853 on a by-product basis and were $854 on a co-product basis and the processing facility averaged 5,005 tonnes of ore per day and operated 90.5% of available time. During 2018, flotation recoveries averaged 93.4%. Recoveries in the second stage of the process in 2018 averaged 90.4% and global recoveries were 84.5%. The production costs per tonne at Kittila were €73 and the minesite costs per tonne were €75 in 2018.

The following table sets out the metal recoveries at the Kittila mine in 2018.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	3.80 g/t	84.5%	188,979 oz

In 2019, the Kittila mine is expected to produce approximately 175,000 ounces of gold from 1.5 million tonnes of ore grading 4.10 grams of gold per tonne at estimated total cash costs per ounce of approximately $822 on a by-product basis, with estimated gold recovery of 86%. Minesite costs per tonne of approximately €79 are expected in 2019.

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 TSF was completed in the fall of 2008. Work on the second phase was completed in 2010 and included the expansion of the TSF. Work on the third phase began in 2013 and included work to heighten the confining structure. An additional raise was completed in 2017 and further raises were completed in 2018 with the use of cement injection to increase stability. Permitting is ongoing for a new TSF cell and construction is scheduled to commence in 2019 and to be commissioned for tailings deposition in 2020. Raising of the existing TSF will also continue in first half of 2019. See "Risk Factors – If the Company experiences mining accidents or other adverse conditions, the Company's mining operations may yield less gold than indicated by its estimated gold production".

Water from dewatering the mine and water used in the mine is collected and treated by sedimentation. Reclaimed water from neutralized tails is treated in a water treatment plant in order to reduce total sulfate loading. Emissions and environmental impact are monitored in accordance with the comprehensive monitoring program that has been approved by the Finnish environmental authorities. Work on enhancing the scrubbing of mill gases has resulted in a design to recover heat loss and use it to heat buildings, and this work will continue in 2019. 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. To comply with the requirements of the permit, a water treatment plant for sulfate was built and commissioned in the fourth quarter of 2016. This new treatment plant is part of an updated effluent management plan which includes relocation of the effluent discharge. Permitting is underway for this new discharge location and the Company is awaiting the approval of a transitional permit that would allow meeting effluent discharge limits until a new effluent discharge point is authorized and implemented.

Capital Expenditures

Capital expenditures at the Kittila mine during 2018 totaled approximately $173.7 million, which included Rimpi area development, underground development, sustaining capital costs and capitalized exploration.

The Company expects capital expenditures during 2019 at the Kittila mine to be approximately $164.1 million, including capitalized exploration.

Development

In 2018, underground development continued in both the Suurikuusikko and Rouravaara mining areas. A total of 21,518 metres of ramp and sublevel access development were completed during the year. A total of 175,600 tonnes of ore from development and 1.46 million tonnes of stope ore were mined in 2018. The Company expects to complete approximately 24,000 metres of lateral development and 1,100 metres of vertical development during 2019.

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 7% of the current probable gold reserve estimate on a contained-gold basis, while Suuri Deep has approximately 23%, Roura-C approximately 2%, Roura Deep approximately 38%, Rimpi Deep approximately 24% and Rimpi-S approximately 6%.

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

Exploration and Drilling

Diamond drilling is used for exploration on the Kittila property. In 2018, the work on the mining licence area focused on the Roura and Rimpi areas, including the Sisar Zone. A total of 830 drill holes were completed in 2018 for a length of 99,287 metres. Of these drill holes, 699 holes (55,491 metres) were for delineation drilling, 20 holes (2,245 metres) were for condemnation and technical studies, 35 holes (8,655 metres) were for conversion drilling and 76 holes (32,895 metres) were for mine exploration. Total expenditures for exploration and delineation related diamond drilling in 2018 were $14.6 million, including $0.9 million for conversion drilling and $8.2 million for exploration.

In 2018, a total of seven exploration drill holes, totaling 3,533 metres, were drilled on the Kuotko mining licence area. Total expenditures for the exploration drilling carried out in the Kuotko area in 2018 were $0.8 million.

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 targets were tested by diamond drilling in 2018. A total of 39 diamond drill holes, totaling 6,975 metres, were drilled on exploration targets outside of the mining licence areas in 2018, at a cost of $3.9 million.

The 2019 exploration budget for the Kittila mine is approximately $8.2 million (for 34,400 metres of 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. Outside of the mining licence areas, $2.5 million of exploration expenditures, including 4,000 metres of diamond drilling, is planned for exploration along the Suurikuusikko, Kapsa and Hanhimaa Trends.

Mineral Reserves and Mineral Resources

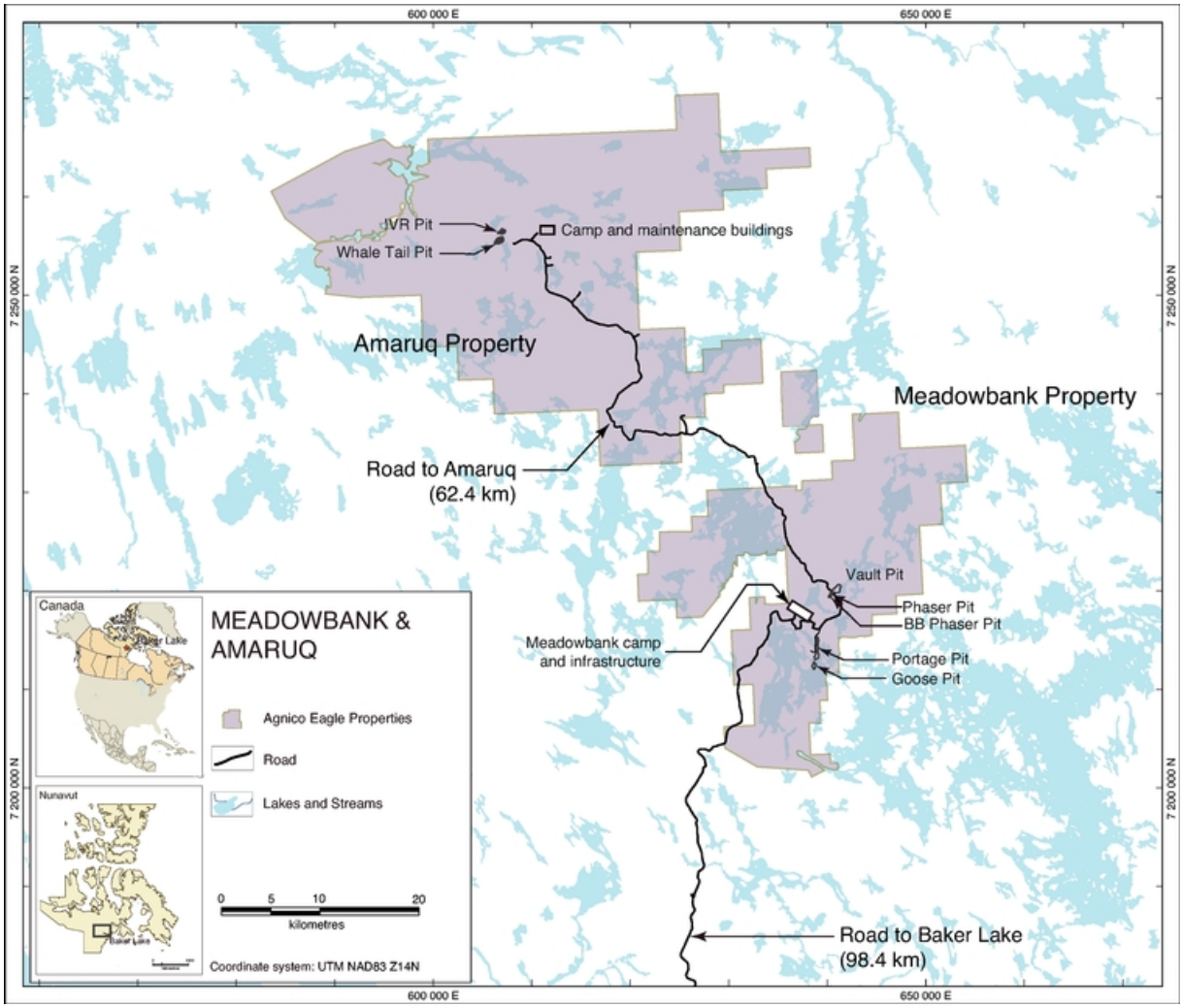
In 2018, the gold in proven and probable underground mineral reserves at the Kittila mine increased by approximately 324,000 ounces to 4.4 million ounces of gold (30.5 million tonnes of ore grading 4.50 grams of gold per tonne), after producing 188,979 ounces of gold (223,246 ounces *in situ* gold mined). This increase was primarily due to the Kittila shaft expansion project that added mineral reserves in the Roura and Suuri zones below 675 metres depth. The mineral reserve gold grade decreased from 4.74 grams of gold per tonne at the end of 2017 to 4.50 grams of gold per tonne at the end of 2018. Measured and indicated mineral resources (mainly underground) decreased by 1.9 million tonnes to 18.8 million tonnes grading 2.64 grams of gold per tonne at December 31, 2018 due to the expansion project, as described above, resulting in underground indicated mineral resources converting to mineral reserves. Inferred mineral resources (mainly underground) decreased by 1.1 million tonnes from 2017 to 8.3 million tonnes grading 3.84 grams of gold per tonne.

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

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

At December 31, 2018, the Meadowbank Complex, including the Amaruq satellite deposit at Meadowbank, was estimated to contain proven and probable mineral reserves of 3.0 million ounces of gold comprised of 26.5 million tonnes of ore grading an average of 3.49 grams of gold per tonne. The Company acquired its 100% interest in the Meadowbank mine in 2007 by the acquisition of Cumberland Resources Ltd. The Amaruq property is also 100% owned by the Company following the agreement with Nunavut Tunngavik Inc. ("NTI") in 2013 and with the Kivalliq Inuit Association (the "KIA") in 2017.

Location Map of the Meadowbank Mine, including the Amaruq satellite deposit (as at December 31, 2018)



The Meadowbank Complex is held under 24 Crown mining leases, five exploration agreements and one Crown mineral claim. The Crown mining leases, which cover the Portage, Goose and Goose South deposits at the Meadowbank site, are administered under federal legislation. The Crown mining leases, which have renewable 21-year terms, have no annual work commitments but are subject to annual rental fees that vary according to their renewal date. The production lease with the KIA is a surface lease and requires the payment of C$160,823 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 the Meadowbank Complex, the Company must receive approval for an annual work proposal from the KIA, the body that holds the surface rights in the Kivalliq District and administers land use in the region through various boards.

At the Meadowbank Complex, the Company holds five mineral exploration agreements granted by the NTI, the corporation responsible for administering subsurface mineral rights on Inuit-owned lands in Nunavut. In 2019, exploration agreements covering the Meadowbank site and the Amaruq satellite deposit will require annual rental fees of C$123,701 and C$122,517, respectively. During the exploration phase, the concessions can be held for up to 20 years and the exploration agreements can be converted into production leases with annual fees of C$500 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 as well as annual fees of $71,000.

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

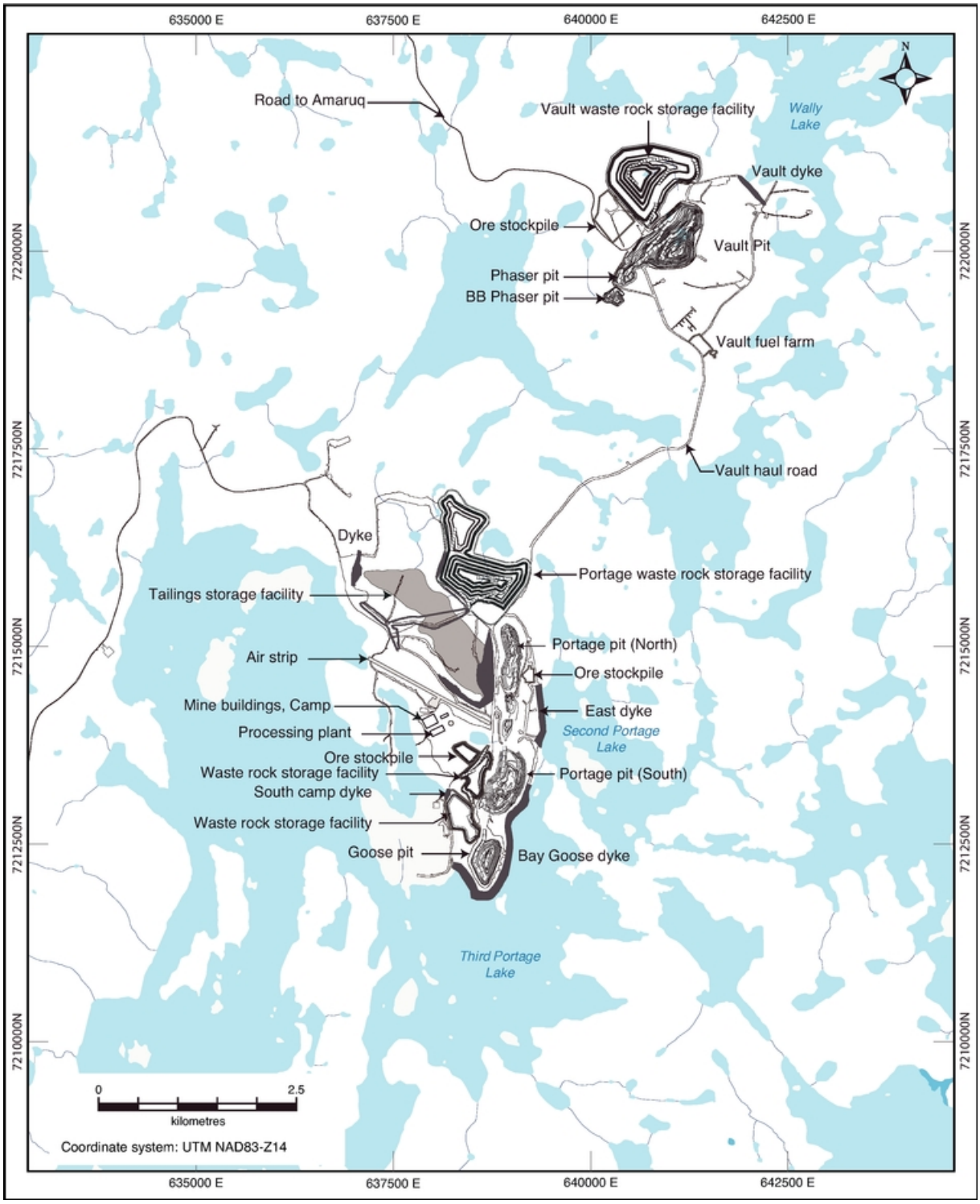
The Meadowbank area is considered to have an arid arctic climate with temperatures ranging from five to minus 40 degrees Celsius in the winter (from October to May) and from minus five to 25 degrees Celsius throughout the summer (from June to September). Surface geological work can be carried out from 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.

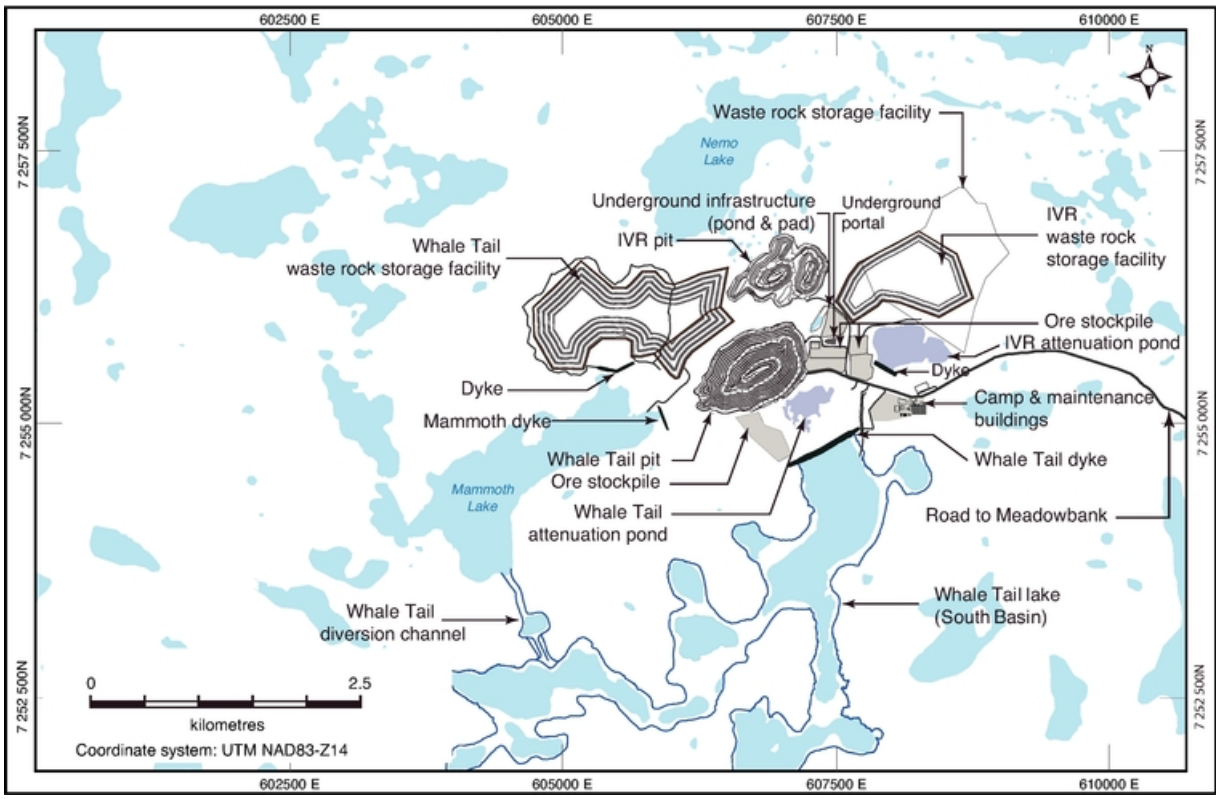
A 64-kilometre exploration road from the Meadowbank site to the Amaruq satellite deposit was completed in August, 2017 and subsequently widened for ore haulage in November 2018. The Company expects that the ore from the Amaruq satellite deposit will be hauled to the Meadowbank mill using long haul off-road type trucks, and the mill is expected to operate at 9,000-10,000 tonnes per day. The mill is undergoing minor modifications, specifically the addition of a continuous gravity and regrind circuit, in order to process the ore from the Amaruq satellite deposit at Meadowbank.

Mining and Milling Facilities

Surface Plan of the Meadowbank Mine (as at December 31, 2018)



Surface Plan of the Amaruq satellite deposit at Meadowbank (as at December 31, 2018)



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

Dewatering dykes in the northern part of Whale Tail Lake and the eastern end of Mammoth Lake will be required to mine the Whale Tail deposit at Amaruq. Construction of this infrastructure began in the second half of 2018 and will extend into the beginning of 2019. Water management infrastructure will be built around the IVR pit to allow for its mining, which is planned to be constructed in 2020. Several engineered channels will also be constructed to divert contact or non-contact water around the mine in 2019 and 2020.

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 is stockpiled separately. Waste rock is hauled to one of three waste storage 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. Mining began in the Phaser pit in 2017 and the BB Phaser pit in 2018. Mining operations at the Goose pit ceased in 2015. Mining operations at the Portage (including Portage extension) and Vault pits are expected to cease in 2019.

Mining at the Amaruq satellite deposit at Meadowbank (Whale Tail pit) will use the same method of open pit mining as the Portage, Goose and Vault deposits, however, the ore will be hauled by a long haul off-road truck fleet to the mill at the Meadowbank facilities for processing. Commercial production is expected to be achieved in the third quarter of 2019 at the Whale Tail pit and in 2020 for the IVR pit.

Surface Facilities

The Meadowbank 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 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 at Meadowbank to a separate camp with a 125-person capacity. As of December 2018, the camp's capacity had been increased to hold up to 300 people. A surface service building was added for underground exploration equipment maintenance and new generators were added to power the service building and future camp wings, sewage treatment plant and water treatment plant structures. The camp is supported by sewage treatment, solid waste disposal and a potable water plant. The infrastructure work has started on the permanent camp and is well advanced on the permanent mechanical shop. Work was also completed on the emulsion storage building and the Construction Water Treatment Plant which was used during Whale Tail Dyke construction during the summer of 2018. The Permanent Water Treatment Plant infrastructure work started at the end of 2018.

The process design at the Meadowbank mill consists of two-stage crushing, grinding, gravity concentration, cyanide leaching and gold recovery in a CIP circuit. The mill was designed to operate year-round, with an annual design capacity of 3.1 million tonnes (8,500 tonnes per day). The addition of a secondary crusher in 2011 increased the overall capacity in the mill to 3.6 million tonnes processed per year (9,840 tonnes per day). Since the installation of the secondary crusher, the plant has consistently exceeded 8,500 tonnes per day.

Significant metallurgical testing has been conducted on samples from the Amaruq satellite deposit since 2014 to confirm its amenability to processing at the Meadowbank mill. Comminution test work and subsequent simulations have confirmed that a 9,000-10,000 tonne per day processing plant throughput can be achieved with conservative ore blends, the cyanidation/CIP circuit at Meadowbank is adequate for the Amaruq satellite deposit at Meadowbank and the current thickening and pumping capacity is expected to be sufficient. In order to increase the overall gold recovery of the Amaruq ore, a gravity pre-concentration process followed by a concentrate regrind is being added. It is expected that these modifications will be complete by mid-2019. Gold recovery is expected to be approximately 93% for the Whale Tail ore and approximately 95% for IVR ore based on testing.

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

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

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

Production and Mineral Recoveries

During 2018, the Meadowbank mine had payable production of 248,997 ounces of gold from 3.26 million tonnes of ore grading 2.56 grams of gold per tonne. The production costs per ounce of gold produced at Meadowbank in 2018 were $848. The total cash costs per ounce of gold produced at Meadowbank in 2018 were $814 on a by-product basis and were $825 on a co-product basis. The Meadowbank processing facility averaged 8,937 tonnes per day and operated approximately 92.9% of available time. Gold recovery averaged 92.6%. The production costs per tonne at Meadowbank were C$83 and the minesite costs per tonne were C$82 in 2018.

The following table sets out the metal recoveries at the Meadowbank mine in 2018.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.56 g/t	92.6%	248,997 oz

Gold production during 2019 at the Meadowbank mine (excluding the Amaruq satellite deposit at Meadowbank) is expected to be approximately 65,000 ounces from 1.2 million tonnes of ore grading 1.86 grams of gold per tonne at estimated total cash costs per ounce of approximately $990 on a by-product basis, with estimated gold recovery of 90.4%. Minesite costs per tonne of approximately C$70 are expected in 2019.

Gold production during 2019 at the Amaruq satellite deposit at Meadowbank is expected to be approximately 165,000 ounces from 1.1 million tonnes of ore grading 3.70 grams of gold per tonne at estimated total cash costs per ounce of approximately $812 on a by-product basis, with estimated gold recovery of 93%. Minesite costs per tonne of approximately C$115 are expected in 2019.

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

The development of the Meadowbank mine was subject to an extensive environmental review process under the Nunavut Land Claims Agreement (the "NLCA") administered by 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 Nunavut Water Board (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 was completed in the third quarter of 2018, and an IIBA and a water compensation agreement were signed with the KIA for the project. As planned, dyke construction was initiated in 2018 to isolate the Whale Tail pit area from the lake; dewatering of the pit area is planned is planned to begin in the first quarter of 2019. The haulage road between Meadowbank and Amaruq has also been widened to allow for ore transportation.

At the Meadowbank Complex, 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. Permitting for in-pit disposal of the Meadowbank mill tailings in the depleted Meadowbank pits is ongoing.

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

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

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

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.

Capital Expenditures/Development

In 2018, the Company incurred approximately $14.9 million in capital expenditures at the Meadowbank mine. In addition, approximately $187.5 million was spent on processing plant modifications, road construction, camp facilities and the construction of the underground ramp at the Amaruq satellite deposit at Meadowbank.

In 2019, a total of $157.0 million in capital expenditures has been budgeted to be spent at the Meadowbank Complex, including capitalized exploration, which includes $133.9 million in capital expenditures expected to be incurred at the Amaruq satellite deposit at Meadowbank (including the Amaruq underground project).

In late 2017, the Company completed an updated prefeasibility study on the Amaruq satellite deposit at Meadowbank, the results of which were incorporated into a new NI 43-101 technical report for the Meadowbank Complex that was filed on with Canadian securities regulatory on www.sedar.com on March 22, 2018. For a summary of the key estimates and parameters of the Amaruq satellite deposit at Meadowbank, see the Company's Annual Information Form dated as of March 23, 2018, filed with Canadian securities regulatory authorities on www.sedar.com, under the heading "Operations and Production – Northern Business – Meadowbank Complex (including the Meadowbank Mine and Amaruq Satellite Deposit) – Capital Expenditures/Development".

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 is being developed as a satellite operation to the Meadowbank mine. Two mineable deposits, Whale Tail and IVR, come together at depth northeast of Whale Tail Lake. Both of them extend from surface, making them amenable to open pit mining. An exploration ramp is being driven between the two deposits to determine their amenability to underground mining in the future.

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.

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

The first mineralization style corresponds to occurrences of pyrrhotite-quartz-amphibole-carbonate as layers, lenses and/or disseminations, mostly restricted to the silicate-sulphide iron formations of Whale Tail's north domain. The second mineralization style comprises silica flooding with significant pyrrhotite, arsenopyrite, and local pyrite stockwork and disseminations, within a gangue of amphibole-carbonate. The third mineralization style is between decimetres and several metres thick, quartz-sulphide-native gold veins cutting through the whole Mammoth-Whale Tail-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 of gold per tonne (containing 3.3 million ounces of gold) and inferred mineral resources of 3.5 million tonnes of ore grading 4.20 grams of gold per tonne (containing 0.5 million ounces of gold).

In 2018, 47 diamond drill holes were completed (5,198 metres) and 43 rotary air-blast holes were completed (3,397 metres) for exploration in various areas of the Meadowbank property and 3,000 metres of exploration diamond drilling is planned for 2019.

In 2018, drilling was conducted at the Amaruq satellite deposit at Meadowbank, totaling 374 holes for a total length of 84,354 metres. Within the IVR area, 65 holes were completed (20,940 metres) in respect of conversion, extension and exploration. Drilling at Whale Tail included 97 holes (42,480 metres) for conversion, extension and deep exploration drilling. Exploration drilling along the Mammoth trends included 28 holes (4,924 metres). In addition, delineation drilling was conducted on the Whale Tail deposit with 159 holes (15,239 metres drilled). Also, 25 geotechnical drill holes were completed (770 metres) and 29 rotary air-blast drill holes were also completed in 2018 for a total of 2,137 metres.

Mineral Reserves and Mineral Resources

In 2018, the amount of gold in open pit proven and probable mineral reserves for the Portage and Vault deposits decreased by approximately 247,000 ounces of gold to 98,000 ounces of gold (1.6 million tonnes of ore grading 1.89 grams of gold per tonne) as a result of producing 248,997 ounces of gold (268,564 ounces of *in situ* gold mined).

Open pit measured and indicated mineral resources at the Meadowbank mine decreased slightly to 1.8 million tonnes grading 2.33 grams of gold per tonne. The net decrease was primarily due to mine depletion and other adjustments as the mine enters its last partial year of production. Open pit inferred mineral resources remained the same at 63,000 tonnes grading 2.05 grams of gold per tonne.

The amount of gold in proven and probable open pit mineral reserves at the Amaruq satellite deposit at Meadowbank at the end of 2018 increased by approximately 516,000 ounces to 2.9 million ounces (24.9 million tonnes grading 3.59 grams of gold per tonne) due to a combination of factors including: increasing the Whale Tail and V Zone pit sizes in the mine plan, improved 3D geological modelling and successful delineation drilling. Open pit and underground indicated mineral resources increased slightly to 8.9 million tonnes grading 3.97 grams of gold per tonne at December 31, 2018 due to successful conversion from underground inferred mineral resources at Whale Tail, partially offset by the conversion to open pit mineral reserves, as described above. Inferred mineral resources (mainly underground) at the Amaruq satellite deposit at Meadowbank increased by 3.9 million tonnes in 2018 to 12.6 million tonnes grading 5.12 grams of gold per tonne, mainly due exploration success partially offset by conversion to indicated mineral resources.

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 Board approved the construction of a mine at the Meliadine project. Commercial production at Meliadine is expected early in the second quarter of 2019.

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

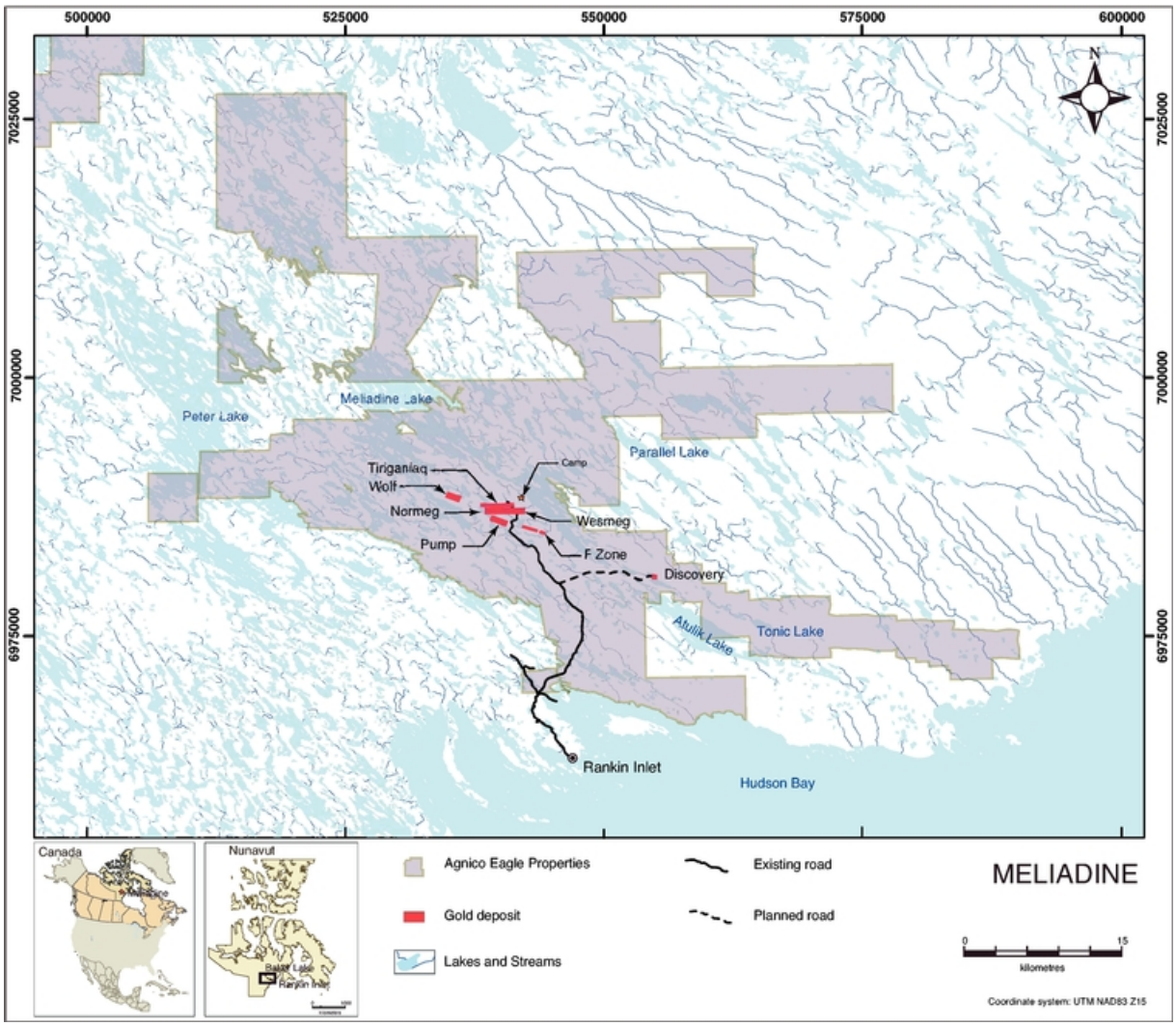
The mineral reserves and mineral resources of the Meliadine project are estimated at December 31, 2018 to contain proven and probable mineral reserves of 3.8 million ounces of gold comprised of 16.7 million tonnes of ore grading 6.97 grams of gold per tonne.

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 2018, approximately C$131,000 was paid to Indigenous and Northern Affairs Canada for the mining lease. NTI requires aggregate annual rental fees of approximately C$114,000 and aggregate exploration expenditures of approximately C$1,008,000.

The Kivalliq region has an arid arctic climate. Surface geological work can be carried out from mid-May to mid-October, while exploration drilling can take place throughout the year, though is reduced in December and January due to cold and darkness. Mining operations are expected to take place throughout the year.

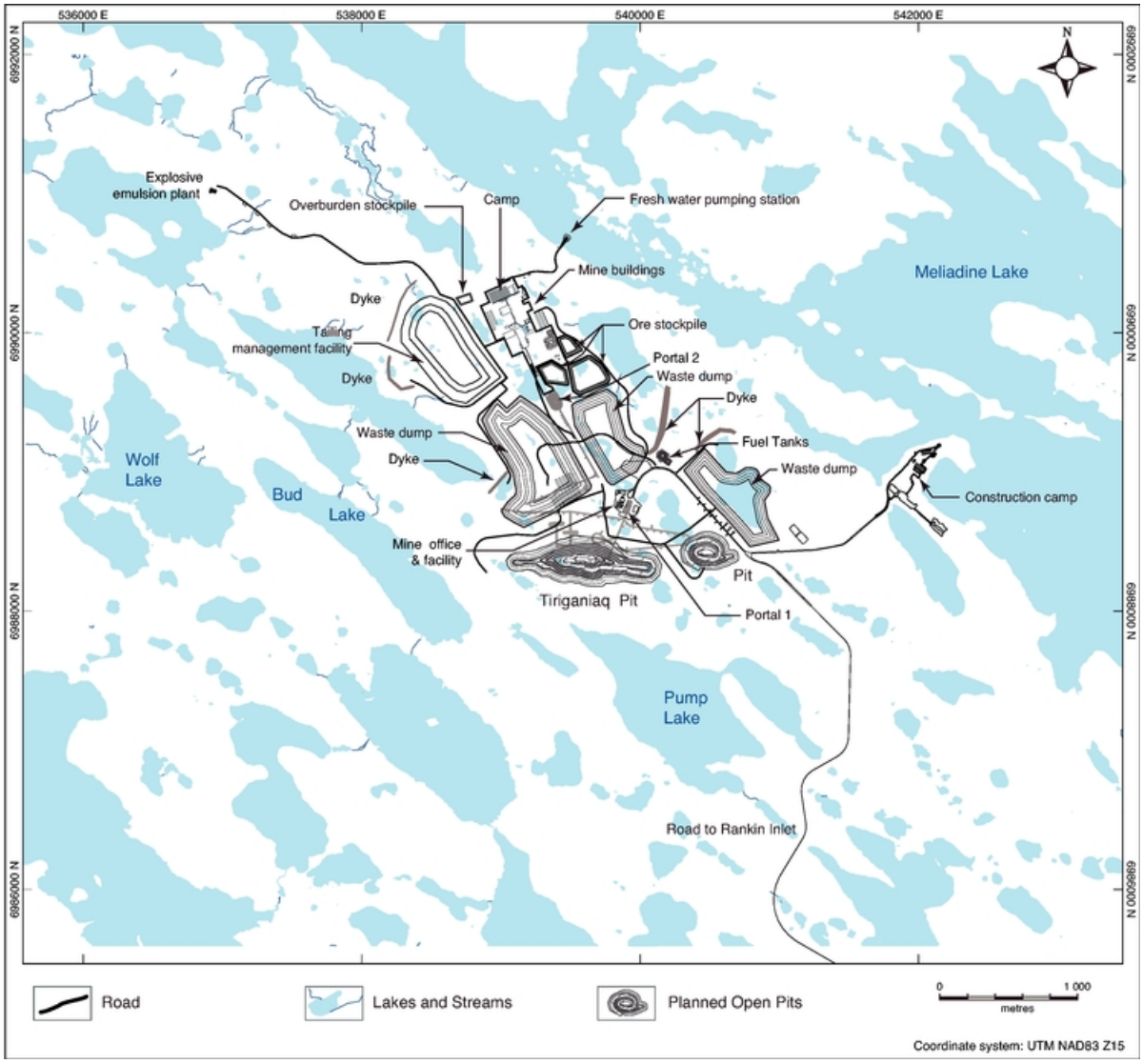
Equipment, fuel and dry goods are transported on the annual sealift by barge to Rankin Inlet via Hudson Bay. Ocean-going barges from Churchill, Manitoba or eastern Canadian ports can access the community from late June to early October. Churchill, which is approximately 470 kilometres south of Rankin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

Location Map of the Meliadine project (as at December 31, 2018)



Facilities

Surface Plan of the Meliadine project (as at December 31, 2018)



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

In 2018, the Company completed construction of the surface infrastructure at Meliadine, including the services building, process plant and power plant. Underground, a total of 8,655 metres of lateral development as well as 920 metres of vertical development were completed. Production activities began late in 2018, with the first three stopes being blasted and mucked out. In 2019, the Company expects to complete construction of the crushing and paste plants as well as commissioning and ramping-up operation activities in order to achieve commercial production early in the second quarter.

The forecast production and other parameters surrounding the Company's proposed Meliadine operations set out below were based on a preliminary economic assessment, which is preliminary in nature and includes inferred

mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the forecast production amounts or other parameters will be realized. The basis for the preliminary economic assessment and the qualifications and assumptions made by the qualified person who undertook the preliminary economic assessment are set out below. The results of the preliminary economic assessment had no impact on the results of any pre-feasibility or feasibility study in respect of Meliadine.

Mining Methods

The Company anticipates that mining at Meliadine will be carried out through 12 open pits and underground mining operations. It is estimated that approximately 5.8 million tonnes of ore will be extracted from open pit methods and 20.6 million tonnes of ore will be extracted by underground mining over a 15-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 and the main camp. The exploration camp is 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 complete kitchen facility. The main camp began operation in 2017 and consists of nine wings of modular trailers that can accommodate up to 432 personnel and also includes a complete kitchen facility.

Power for the camps is provided by diesel generators. Potable water is pumped from Meliadine Lake. Fresh water for the underground operations and surface drill programs is pumped from Pump Lake. Most flammable waste on site is burned in an incinerator. All hazardous solid and liquid wastes are collected at the Meliadine project site and then transported to a waste management company in southern Canada. Incinerator ashes, plastic and wood are deposited in a landfill while metal objects are either recycled or landfilled.

Exploration camp sewage has been treated through a Biodisk treatment system since the summer of 2010 and the main camp sewage has been treated through an aerobic biological treatment/membrane filtration system since 2017. A saline water treatment plant was constructed in 2018 to treat underground water. The first unit of the water treatment plant was commissioned in 2018 while the second unit will be commissioned in the first quarter of 2019. The Company is currently constructing the necessary infrastructure to discharge saline water into the sea beginning in 2019.

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. Construction of the production portal and ramp was completed in 2018.

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 built, comprising crushing, grinding, gravity separation and cyanide leaching, with a CIL circuit, followed by cyanide destruction and filtration of the tailings for dry stacking.

Gold production is forecast to be approximately 5.7 million ounces over the current 15-year life of mine. Global gold recovery at the Meliadine project is estimated to be 96% and have an estimated plant availability of 92%. Production is expected to begin in the second quarter of 2019.

Gold production during 2019 at the Meliadine project is expected to be approximately 230,000 ounces from 0.6 million tonnes of ore grading 8.88 grams of gold per tonne at estimated total cash costs per ounce of approximately $612 on a by-product basis, with estimated gold recovery of 95%. Minesite costs per tonne of approximately C$212 are expected in 2019.

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 the Meliadine project exploration camp, the underground bulk sampling program and for ongoing exploration drilling activities.

In 2011, the Company initiated an 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 a mine at the Meliadine project, from the NIRB on February 26, 2015. An application for a Type A water licence from the NWB was submitted in 2015 and the licence was received in April 2016. A commercial production land use lease from the KIA was signed on June 30, 2017.

An Inuit Impact and Benefit Agreement for the Meliadine project (the "Meliadine IIBA") was signed with the KIA in July 2015, and amended in March 2017. The Meliadine IIBA addresses inclusion of Inuit values, culture and language at the mine site, protection of the land, water and wildlife, provides financial compensation to Inuit over the mine life and contains provision for training and employment of Inuit employees and contracting with Inuit firms. In order for the Company to maintain a social 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 to monitor implementation processes and issues.

A saline water treatment plant was constructed and commissioned in 2018 to treat underground dewatering water. A revised water certificate as well as federal authorizations to discharge clean but saline water into Hudson Bay were received in early 2019. Discharge is expected to commence in the summer of 2019.

Capital Expenditures

Total capital expenditures at the Meliadine project in 2018 were $388.7 million, including construction of the Rankin Inlet bypass road, the enclosure of the crusher/oxygen plant buildings and surface earth works.

Capital expenditures of $61.6 million have been budgeted for the Meliadine project in 2019, focused on underground development, mobile equipment, conversion drilling, construction work at the crusher and paste plants, ramp development, underground exploration and camp operations.

In 2016, the Company considered various means by which to optimize the previous Meliadine mine plan that had been outlined in a NI 43-101 technical report dated February 11, 2015 to improve the project economics. For a summary of the key estimates and parameters of the Meliadine project, see the Company's Annual Information Form dated March 27, 2017, filed with Canadian securities regulatory authorities on *www.sedar.com*, under the heading "Operations and Production – Northern Business – Meliadine – Expenditures".

Development

In 2018, 8,655 metres of horizontal development and 920 metres of vertical development were completed at the Meliadine project. For 2019, the Company expects approximately 12,900 metres of horizontal development and approximately 180 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 of gold per tonne (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).

In 2018, the Company spent $4.2 million on a conversion drilling program (17,111 metres of conversion drilling at the Tiriganiaq deposit, 1,326 metres of conversion drilling at the Wesmeg deposit and 279 metres of condemnation drilling in the projected tailings storage facility). The Company also spent $3.6 million on delineation drill programs in 2018 (971 metres at the Tiriganiaq open pit and 19,915 metres underground at the Tiriganiaq deposit). In addition, the Company spent $2.2 million on exploration drilling in 2018 (12,022 metres of drilling mostly at Tiriganiaq, with limited holes targeting extensions of Normeg and Wesmeg).

In 2019, the Company expects to spend $2.5 million on conversion drilling (7,500 metres at Tiriganiaq and 5,000 metres at Wesmeg), $2.7 million on exploration drilling (10,000 metres at Tiriganiaq) and $4.9 million on delineation drilling (24,000 metres underground and 11,550 metres at the Tiriganiaq open pit) at Meliadine.

Mineral Reserves and Mineral Resources

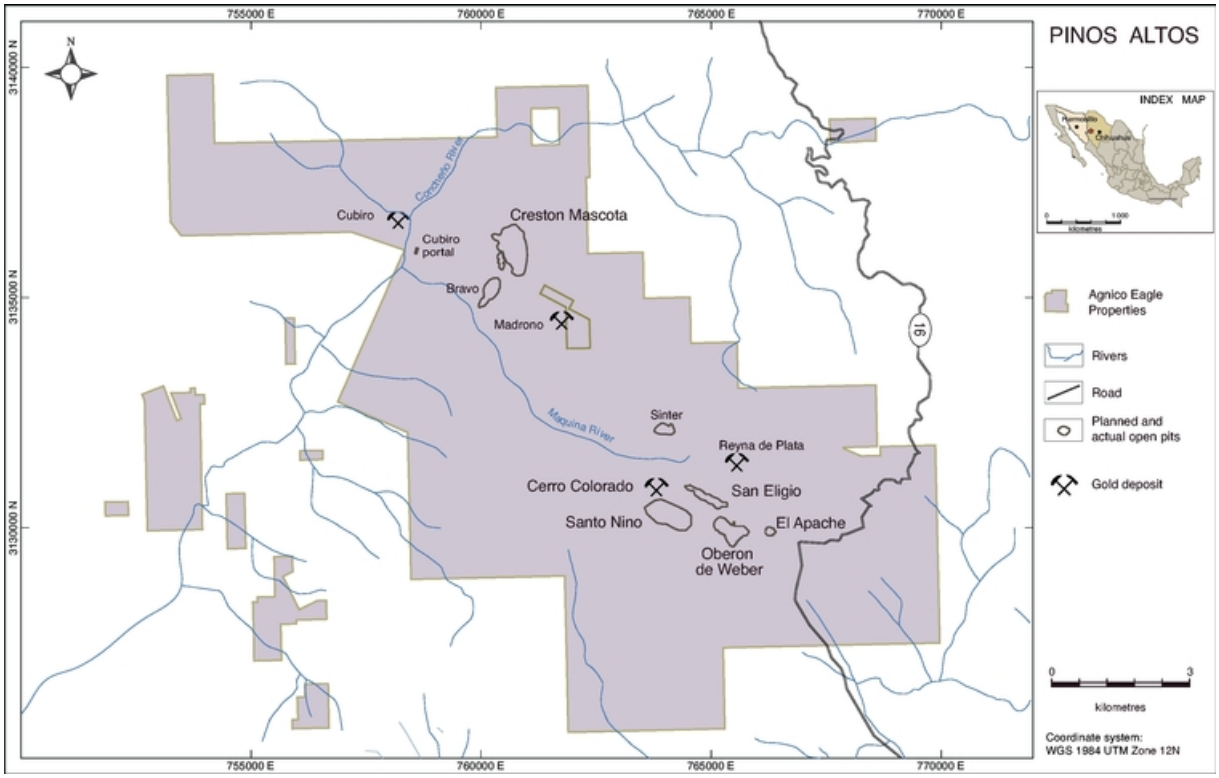
At December 31, 2018, proven and probable gold reserves at Meliadine increased slightly to 3.8 million ounces of gold (16.7 million tonnes of ore grading 6.97 grams of gold per tonne), as a result of remodeling the underground zones coupled with the results of a conversion drill program. The mineral reserve gold grade decreased from 7.12 grams of gold per tonne at the end of 2017 to 6.97 grams of gold per tonne at the end of 2018. The indicated mineral resources were 26.0 million tonnes grading 3.81 grams of gold per tonne and inferred mineral resources were 13.5 million tonnes grading 6.00 grams of gold per tonne. The mineral reserves and mineral resources at Meliadine are from open pit and underground deposits.

Southern Business

Pinos Altos Mine (including the Creston Mascota deposit)

The Pinos Altos mine achieved commercial production in November 2009. It is located in the Sierra Madre gold belt, 285 kilometres west of the City of Chihuahua in the State of Chihuahua in northern Mexico. At December 31, 2018, the Pinos Altos mine was estimated to contain proven and probable mineral reserves of 1.2 million ounces of gold and 30.5 million ounces of silver comprised of 17.1 million tonnes of ore grading 2.15 grams of gold per tonne and 55.5 grams of silver per tonne. The Creston Mascota deposit at Pinos Altos achieved commercial production in the first quarter of 2011. At December 31, 2018, the Creston Mascota deposit was estimated to contain proven and probable mineral reserves of 82,000 ounces of gold and 1.9 million ounces of silver comprised of 1.4 million tonnes of ore grading 1.77 grams of gold per tonne and 40.9 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, 2018)



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

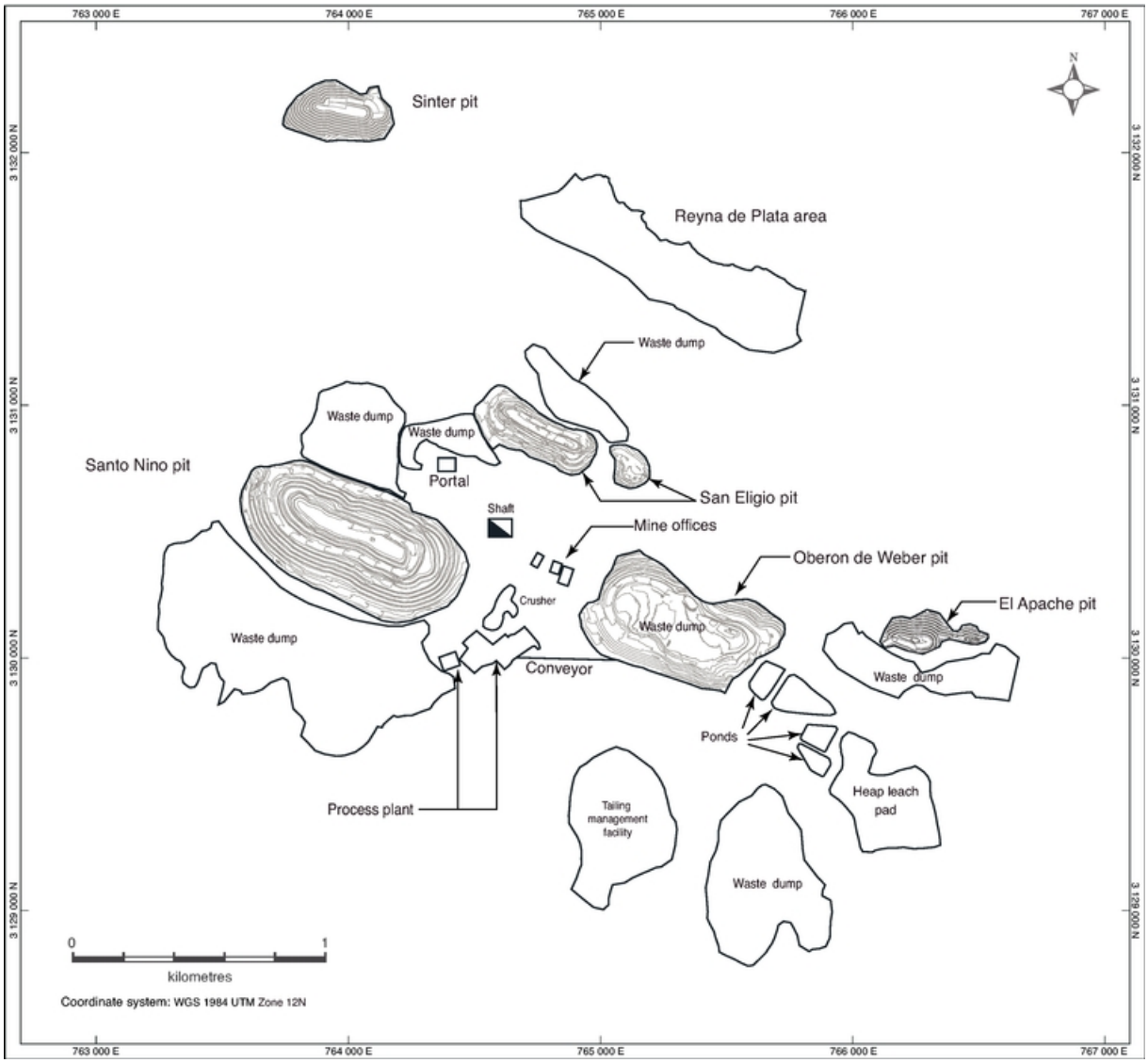
The assets acquired by the Company from PAEyE and the Asociación de Pequeños Propietarios Forestales de Pinos Altos S de R.L. in 2008 included the right to use up to 400 hectares of land for mining installations for a period of 20 years after formal mining operations have been initiated. The Company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

Beginning in 2006, the Company acquired 7,670 hectares of surface rights contained within the Agnico Eagle Mexico and Pinos Altos concessions. The agreements, other than the agreement with respect to the Bravo Zone, expire in either 2028 or 2036. A temporary occupation agreement with respect to the Bravo Zone was signed in 2017 and expires in 2025, with an option to be extended until 2033. The agreements, including the agreement with respect to the Bravo Zone, also provide for further renewal at the Company's option. The Pinos Altos mine is directly accessible by a paved interstate highway that links the cities of Chihuahua and Hermosillo.

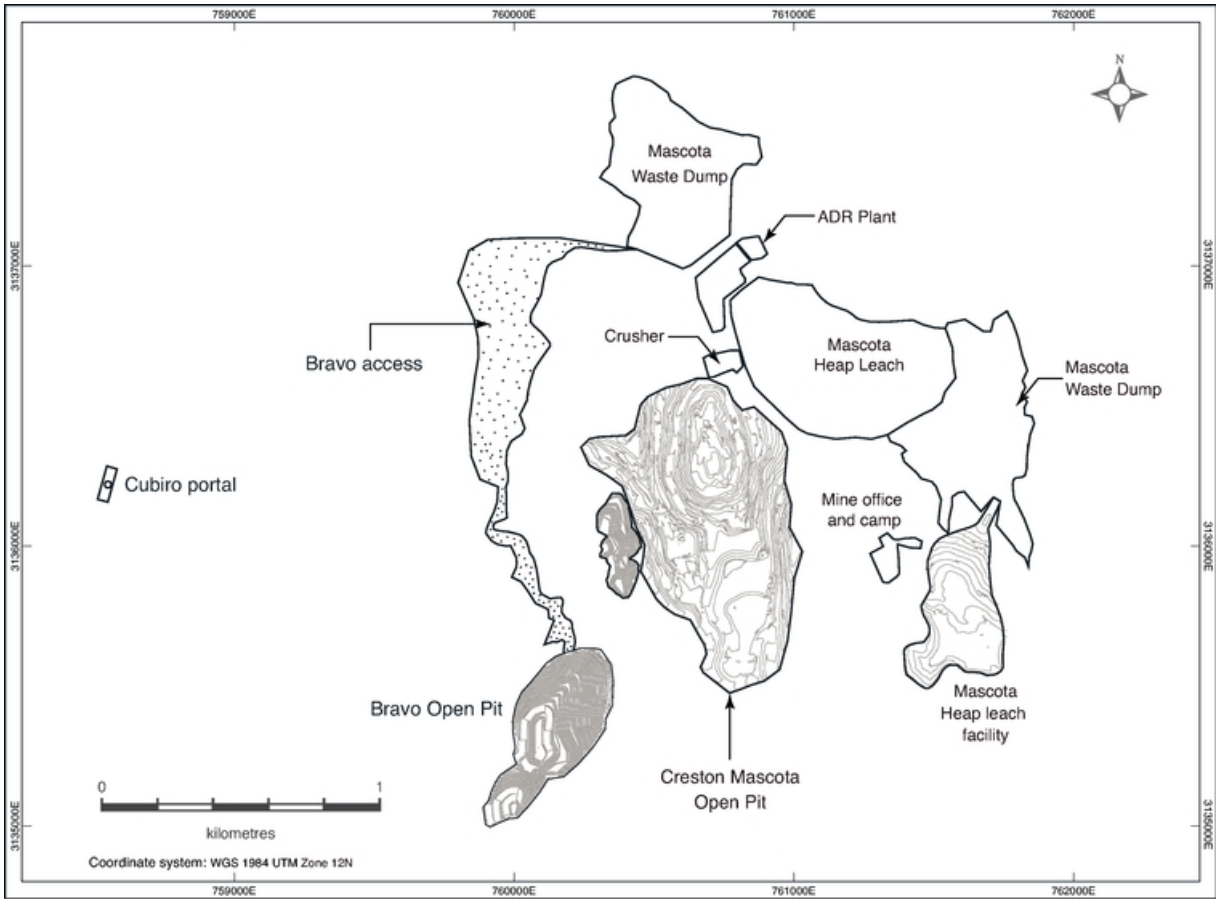
The Company continues to evaluate opportunities to develop other mineral resources that have been identified in the Pinos Altos area as satellite operations.

Mining and Milling Facilities

Surface Plan of the Pinos Altos Mine (as at December 31, 2018)



Surface Plan of the Creston Mascota Deposit at Pinos Altos (as at December 31, 2018)



During 2018, on a combined basis, the milling and heap leach operations at Pinos Altos processed an average of 6,077 tonnes of ore per day. The underground mine at Pinos Altos produced an average of 5,140 tonnes of ore per day as compared to its designed rate of 4,500 tonnes per day. The open pit mines at Pinos Altos and the Creston Mascota deposit produced 10.0 million tonnes of ore, overburden and waste in 2018.

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 2018 continues to indicate that the equipment, mining methods and personnel selected for the project are satisfactory for future production phases. In 2018, 2.6 million tonnes of ore, overburden and waste were mined.

The underground mine, which commenced operations in the second quarter of 2010, uses the long hole sublevel stoping method to extract ore. The stope height is 30 metres and the nominal stope width is 15 metres. Ore is transported to the surface by shaft hoisting as well as by trucks via a ramp system. During 2018, approximately 1.9 million tonnes of ore were produced from the underground portion of the mine, averaging 5,140 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 to 4,500 tonnes of ore per day with the commissioning of a shaft in 2016 and the development of additional underground mineral reserves. The shaft is expected to continue to maintain mill feed rates at 4,500 tonnes of ore per day in future years as the open pit mines at Pinos Altos become depleted. Approximately 12.9 kilometres of total lateral development have been completed as of December 31, 2018.

In November 2017, underground mining commenced at the Santo Nino crown pillar. The Santo Nino crown pillar uses the long hole sublevel stoping method made from the surface to extract ore. The stope height is 30 metres and the nominal stope width is 15 metres. Ore is transported from level 16 to the surface by trucks via a ramp system. In 2018, Santo Nino crown pillar produced approximately 303,000 tonnes of ore grading 2.87 grams of gold per tonne and 88.9 grams of silver per tonne.

Surface Facilities

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

On a combined basis, the Pinos Altos mill and heap leach operations processed an average of 6,077 tonnes of ore per day during 2018 (milling 5,329 tonnes of ore per day and heap leaching 748 tonnes of ore per day). 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 July 2017, the Company commissioned a silver flotation plant, which has increased overall silver recovery to an average of 22% in the flotation plant.

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

A separate heap leach operation and ancillary support facilities were built at the Creston Mascota deposit, which 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 2018, 1.4 million tonnes of ore was mined from the Creston Mascota deposit, averaging 3,896 tonnes per day. In 2016, work on the Phase IV leach pad expansion was completed and stacking of material began in 2017. In 2018, work on the Phase V leach pad expansion was completed and stacking of material began at the end of 2018. 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 95% and 54%, respectively. The Company anticipates precious metals recovery from low grade ore processed in the Pinos Altos heap leach facility will average 74% for gold and 16% for silver. Heap leach recoveries for ore from the Creston Mascota deposit are expected to average 67% for gold and 30% for silver.

Production and Mineral Recoveries

During 2018, the Pinos Altos mine, including the Creston Mascota deposit, had total payable production of 221,237 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 2018, the Pinos Altos mill had payable production of 174,554 ounces of gold and 2.3 million ounces of silver from 1.95 million tonnes of ore grading 2.96 grams of gold per tonne and 69.0 grams of silver per tonne (including production from the flotation plant of 519,000 ounces of silver from 1.7 million tonnes of ore grading 36.2 grams of silver per tonne). The production costs per ounce of gold produced at Pinos Altos in 2018 were $764. The total cash costs per ounce of gold produced at Pinos Altos in 2018 were $548 on a by-product basis and were $749 on a co-product basis and the processing facility averaged 5,329 tonnes of ore per day and operated 95% of available time. In the mill, gold recovery averaged 94.3% and silver recovery averaged 54%. The production costs per tonne at Pinos Altos were $62 and the minesite costs per tonne were $61 in 2018.

The following table sets out the metal recoveries at the Pinos Altos mill in 2018.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.96 g/t	94.3%	174,554 oz
Silver	69.0 g/t	54.0%	2.3 million oz

Of the 2018 total, the Pinos Altos heap leach operations had payable production of 6,503 ounces of gold and 57,101 ounces of silver from 273,000 tonnes of ore grading 0.72 grams of gold per tonne and 30.9 grams of silver per tonne.

The cumulative recovery for gold and silver on the heap leach pad at Pinos Altos are approximately 75% and 17%, respectively. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate recovery of 74% for gold and 16% for silver will be achieved when leaching is completed.

Of the 2018 total, the heap leach operations at the Creston Mascota deposit had payable production of 40,180 ounces of gold and 310,421 ounces of silver from 1.42 million tonnes of ore grading 1.03 grams of gold per tonne and 13.2 grams of silver per tonne. The production costs per ounce of gold produced at the Creston Mascota deposit in 2018 were $928. The total cash costs per ounce of gold produced at the Creston Mascota deposit in 2018 were $841 on a by-product basis and were $961 on a co-product basis. The production costs per tonne at the Creston Mascota deposit were $26 and the minesite costs per tonne were $27 in 2018.

The cumulative metals recovery for gold and silver on the heap leach pad at the Creston Mascota deposit are approximately 61% and 22%, respectively. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate recovery of 67% for gold and 30% for silver will be achieved when leaching is completed.

Production during 2019 at the Pinos Altos mine (excluding Creston Mascota) is expected to be approximately 165,000 ounces of gold and 2.28 million ounces of silver from 2.4 million tonnes of ore grading 2.28 grams of gold per tonne and 59.0 grams of silver per tonne, at estimated total cash costs per ounce of gold of approximately $604 on a by-product basis, with estimated gold recovery of 94.2% and silver recovery of 50.3%. Minesite costs per tonne of approximately $57 for milled ore are expected in 2019. The heap leach at the Creston Mascota deposit is expected to produce approximately 35,000 ounces of gold and 0.42 million ounces of silver from 0.87 million tonnes of ore grading 2.06 grams of gold per tonne and 50.0 grams of silver per tonne, at estimated total cash costs per ounce of gold of approximately $763 on a by-product basis, with estimated gold recovery of 60.5% and silver recovery of 30%. Minesite costs per tonne of approximately $38 for Creston Mascota heap leach ore are expected in 2019.

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 de Weber pit.

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

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

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

residents living and working in the region. Approximately 62% of the operating workforce at Pinos Altos and Creston Mascota are locally hired and 100% of the permanent workforce at the Company's operations in Mexico are Mexican nationals.

Capital Expenditures

Combined capital expenditures at the Pinos Altos mine and Creston Mascota deposit during 2018 were approximately $58.9 million, excluding capitalized exploration. Combined capital expenditures included sustaining capital for underground equipment major components, optimization of the Victoria pump system, underground development at Sinter, Pinos Altos leach pad phase IV, Creston Mascota leach pad phase V and pre-stripping and development at Bravo.

In 2019, the Company expects capital expenditures at Pinos Altos, including the Creston Mascota deposit, to be approximately $34.0 million, excluding capitalized exploration. Capital expenditures in 2019 will primarily be used for underground mine development, equipment purchases, development at the Sinter and Cubiro satellite deposits, general sustaining activities, continued ramp development and open pit pre-stripping.

Development

As of December 31, 2018, for the mine life to date, more than 138 million tonnes of ore, overburden and waste had been removed from the open pit mine at Pinos Altos and approximately 87 kilometres of lateral development had been completed in the underground mine. At the Creston Mascota deposit, approximately 72 million tonnes of ore, overburden, and waste had been removed from the open pit mine as of December 31, 2018.

Geology, Mineralization, Exploration and Drilling

Geology

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

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

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

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

Mineralization

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

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

The Oberon de Weber lens has been followed on surface and by diamond drilling over an extent of roughly 500 metres. Shallow holes drilled by the Company show good continuity both in terms of grade and thickness over roughly 550 metres. From the 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.

Other identified mineral resources in the Pinos Altos region include the Bravo zone 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 2018, minesite exploration activities were primarily focused on conversion, infill and exploration of the mineral resources at the Bravo, Madrono, Reyna de Plata and Moctezuma exploration targets. A total of 32,512 metres of minesite exploration drilling, including 2,571 metres of step-out drilling at Bravo, 29,141 metres of exploration and step-out drilling at the Madrono and Reyna de Plata deposits, and 801 metres at the Moctezuma trend, were completed.

In 2019, the Company expects to spend approximately $3.1 million on exploration at the Pinos Altos mine and the Creston Mascota deposit, including $1.4 million on 5,000 metres of step-out and exploration drilling at the Cubiro deposit and $1.5 million on 6,000 metres of exploration drilling at the Reyna de Plata east extension and the Moctezuma trend.

Mineral Reserves and Mineral Resources

In 2018, proven and probable mineral reserves at Pinos Altos (excluding Creston Mascota) decreased by approximately 89,000 ounces of gold and 3.5 million ounces of silver to 1.2 million ounces of gold and 30.5 million ounces of silver (17.1 million tonnes of ore grading 2.15 grams of gold per tonne and 55.5 grams of silver per tonne) after producing 181,057 ounces of gold (191,418 ounces of *in situ* gold mined) and 2.4 million ounces of silver. The net decrease was a result of mine depletion partially offset by initial mineral reserves at the Reyna de Plata Zone and

increases in mineral reserves at the Sinter Zone. Indicated mineral resources at Pinos Altos increased by 2.9 million tonnes in 2018 to 19.1 million tonnes grading 1.78 grams of gold per tonne and 41.0 grams of silver per tonne primarily due to the impact of new drilling and interpretation at the Madrono deposit. Inferred mineral resources decreased by 6.4 million tonnes in 2018 to 4.8 million tonnes grading 1.96 grams of gold per tonne and 44.2 grams of silver per tonne primarily due to the conversion of Madrono and Reyna de Plata inferred mineral resources to indicated mineral resources. The mineral reserves and mineral resources at the Pinos Altos mine are mostly from underground mine depths.

In 2018, proven and probable mineral reserves at the Creston Mascota and Bravo deposits decreased by approximately 31,000 ounces of gold and 0.4 million ounces of silver to 82,000 ounces of gold and 1.9 million ounces of silver (1.4 million tonnes of ore grading 1.77 grams of gold per tonne and 40.9 grams of silver per tonne) after producing 40,180 ounces of gold (47,103 ounces of *in situ* gold mined) and 310,000 ounces of silver. The remaining mineral reserves are only in the Bravo deposit. The net decrease was a result of mine depletion partially offset by conversion of mineral resources to mineral reserves at the Bravo deposit. Indicated mineral resources decreased by 1.2 million tonnes in 2018 to 1.3 million tonnes grading 0.65 grams of gold per tonne and 8.8 grams of silver per tonne due to conversion of mineral resources to mineral reserves at the Bravo deposit and condemnation of the north and south portions of the Creston Mascota deposit. The inferred mineral resources at the Creston Mascota deposit in 2018 total 0.4 million tonnes grading 1.02 grams of gold per tonne and 9.9 grams of silver per tonne. The mineral reserves and mineral resources at the Creston Mascota and Bravo deposits are all at open pit mine depths.

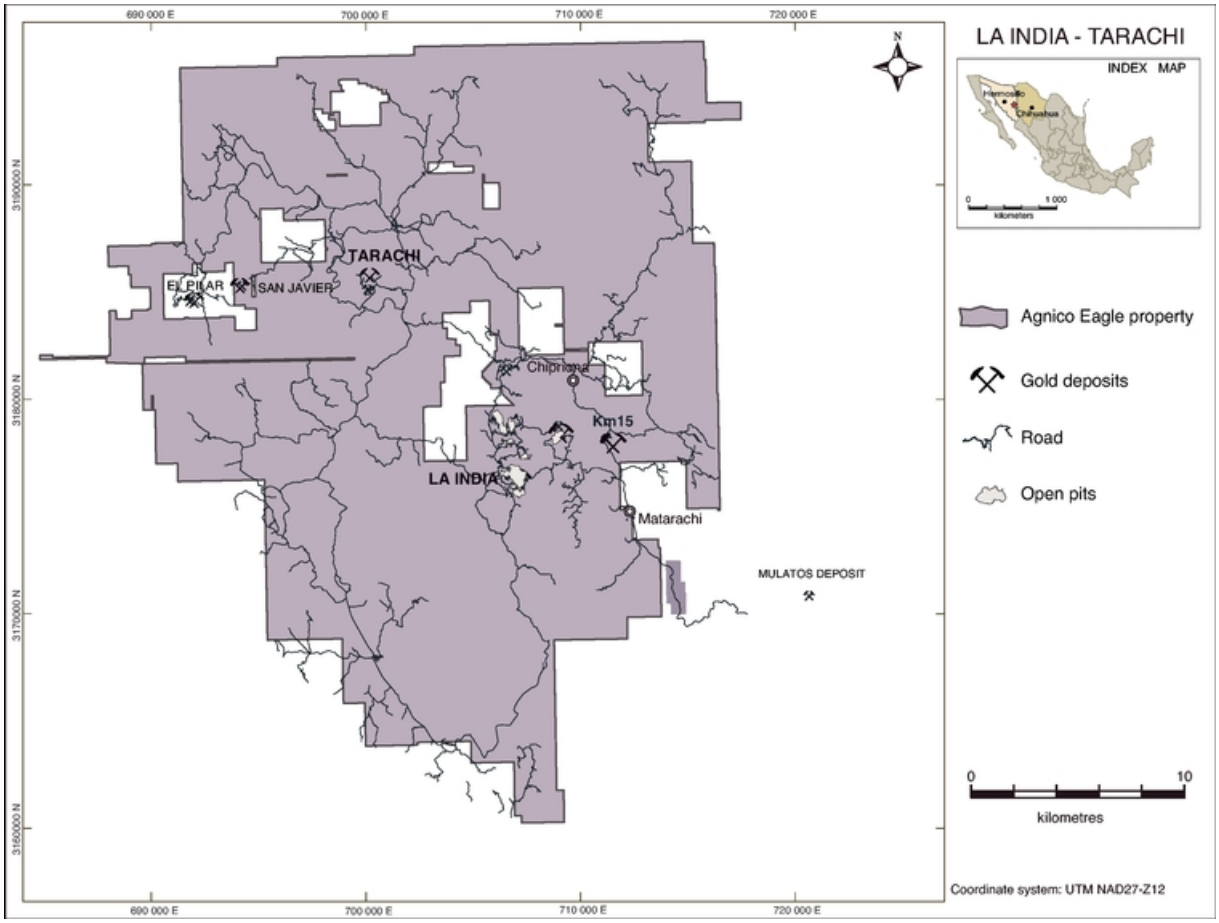
La India Mine

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

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

The La India property consists of 53 wholly-owned and one optioned mining concession in the Mulatos Gold Belt in Sonora, Mexico. The La India property includes the Tarachi deposit and several other prospective targets in the Mulatos Gold Belt. At the Tarachi deposit, the surface rights in the project area are owned by the Tarachi Ejido (agrarian community) and private parties. All measured, indicated and inferred mineral resources lie within privately owned or Ejido possessed land. Surface access lease agreements have been completed in the identified target areas. The existing agreements allow for 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. The optioned mining concession is expected to be assigned to the Company following completion of the option payment due in July 2019.

Location Map of the La India Mine (as at December 31, 2018)



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

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

At December 31, 2018, the La India mine was estimated to contain proven and probable mineral reserves of 0.6 million ounces of gold and 2.0 million ounces of silver comprised of 24.5 million tonnes of ore grading 0.74 grams of gold per tonne and 2.6 grams of silver per tonne. At the Tarachi deposit, indicated mineral resources are 22.7 million tonnes grading 0.40 grams of gold per tonne and inferred mineral resources are 6.4 million tonnes grading 0.33 grams of gold per tonne.

Mining and Milling Facilities

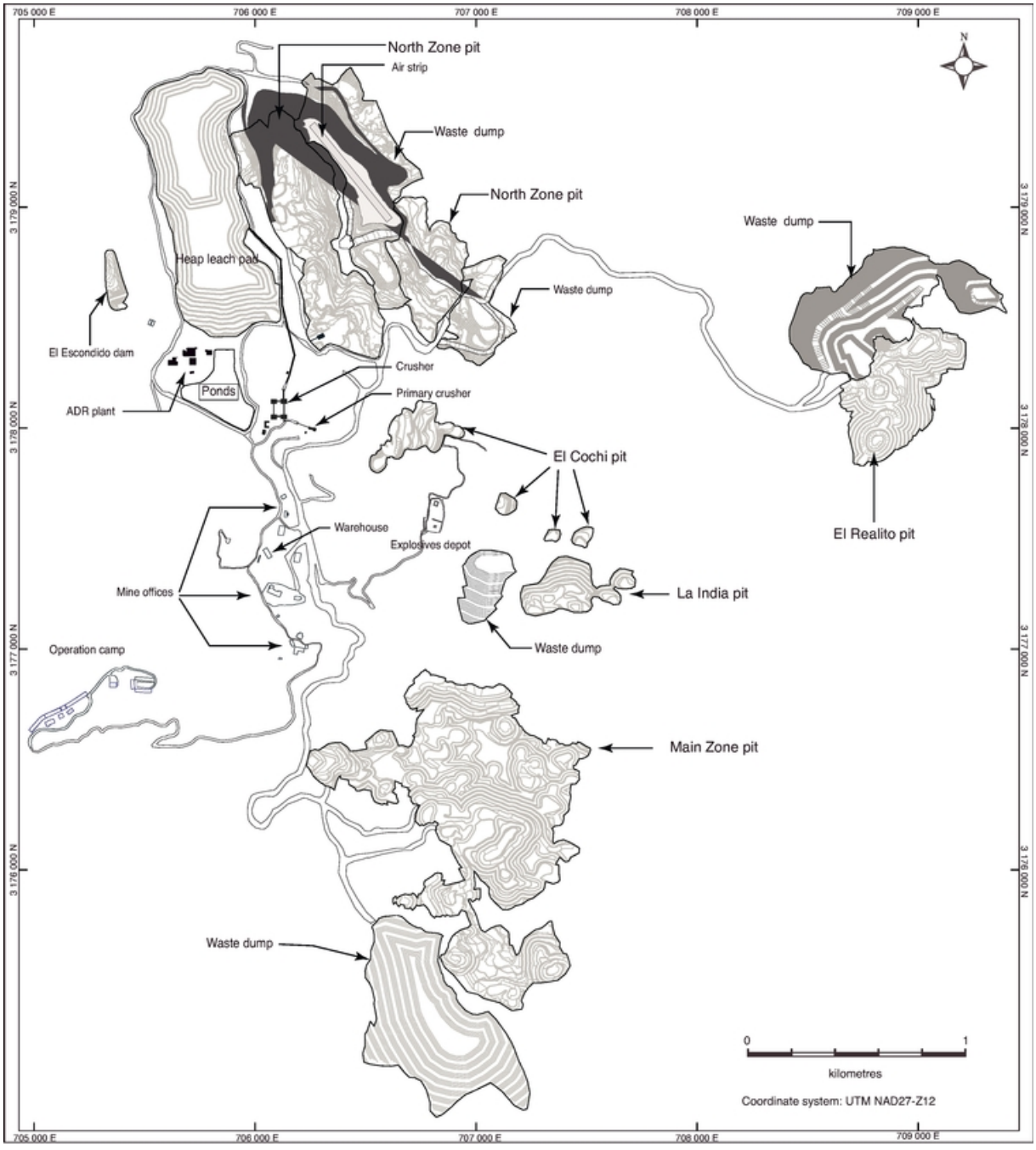
Mining Methods

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

Surface Facilities

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

Surface Plan of the La India Mine (as at December 31, 2018)



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. The Company began construction of the expanded heap leach pad in 2018, which will provide capacity for an additional 6.2 million tonnes, and is expected to be completed in early 2019. In addition, the Company expects to begin construction of the phase 3 expansion using the depleted North Zone pit in mid-2019, which is expected to be operational by mid-2020.

Production and Mineral Recoveries

During 2018, the La India mine had payable production of 101,357 ounces of gold from approximately 6.1 million tonnes of ore stacked on the heap leach pad grading 0.72 grams of gold per tonne. The production costs per ounce of gold produced at La India in 2018 were $682. The total cash costs per ounce of gold produced at La India in 2018 were $685 on a by-product basis and $712 on a co-product basis. The production costs per tonne at La India were $11 and the minesite costs per tonne were $12 in 2018. Stacking rates averaged 16,789 tonnes of ore per day.

The cumulative recovery for gold on the heap leach pad at La India is approximately 66%. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate gold recovery of 69% will be achieved when leaching is completed. This projected ultimate recovery is lower than the recovery originally estimated in the feasibility study because of the addition of significant volumes of transitional material and sulphides. This ore grade material was not included in the study but, following the completion of metallurgical test work which proved its economic benefit despite a lower recovery rate, has since been added to the mineral reserves.

The following table sets out the metal recoveries at La India in 2018.

	Head Grade	Cumulative Metal Recovery	Payable Production
Gold	0.72 g/t	66%	101,357 oz

Gold production during 2019 at the La India mine is expected to be approximately 90,000 ounces from 6.0 million tonnes of ore grading 0.72 grams of gold per tonne, at estimated total cash costs per ounce of approximately $721 on a by-product basis, with estimated cumulative gold recovery of 64.8%. Minesite costs per tonne of approximately $11 are expected in 2019.

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, 2018, all permits necessary for the operation of the La India mine had been received. Environmental studies for the El Cochi project were carried out in late 2018, and the land use change permit is expected to be received by mid-2019.

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 48% 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 2018 were approximately $8.5 million, excluding capitalized exploration, which was spent on heap leach expansion, power line related expenditures and general sustaining activities. The Company expects capital expenditures to be approximately $20.8 million in 2019, excluding capitalized exploration. The capital expenditures in 2019 are to be used for heap leach expansion, power line related expenditures and general sustaining activities.

Development

As of December 31, 2018, for the mine life to date, approximately 59 million tonnes of ore, overburden and waste had been removed from the open pit mine at La India.

Agreements & Licences

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

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

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

Geology, Mineralization, Exploration and Drilling

Geology and Mineralization

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

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

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

Exploration and Drilling

At El Realito, the first phase of drilling by the Company began in the third quarter of 2016. At the end of 2017, there was an initial indicated mineral resource at El Realito. Exploration activities in 2018 resulted in the Company declaring an initial mineral reserve at the El Realito zone of 84,000 ounces of gold and 418,000 ounces of silver (3.3 million tonnes of ore grading 0.80 grams of gold per tonne and 3.96 grams of silver per tonne).

In 2018, the Company completed 25,993 metres of drilling through 224 diamond and 36 reverse circulation drill holes at the La India mine. This included 22,106 metres of minesite exploration drilling at a cost of $4.7 million at the El Realito, El Cochi and Los Tubos deposits. In addition, 3,827 metres of infill drilling were performed at the Main Zone at a cost of $0.63 million.

The Company expects to spend approximately $0.5 million on 2,000 metres of conversion drilling and $2.4 million on 10,000 metres of exploration drilling on satellite deposits at the La India mine in 2019.

Mineral Reserves and Mineral Resources

In 2018, proven and probable mineral reserves at La India decreased by approximately 98,000 ounces of gold to 581,000 ounces of gold (24.5 million tonnes of ore grading 0.74 grams of gold per tonne) after producing 101,357 ounces of gold (141,843 ounces of *in situ* gold mined). The net decrease was a result of mine depletion partially offset by new initial mineral reserves at the El Realito and El Cochi zones. Measured and indicated mineral resources at the La India mine decreased by 12.7 million tonnes in 2018 to 14.7 million tonnes grading 0.57 grams of gold per tonne. The decrease is primarily due to reclassification of mineral resources to mineral reserves at El Realito and El Cochi as well as new domain interpretation at the Main Zone. Inferred mineral resources decreased by 5.3 million tonnes in 2018 to 1.8 million tonnes grading 0.53 grams of gold per tonne due to new estimation domains. The mineral reserves and mineral resources at the La India mine are all at open pit mine depths. As at December 31, 2018, the nearby Tarachi deposit has open pit indicated mineral resources of 22.7 million tonnes grading 0.40 grams of gold per tonne and open pit inferred mineral resources of 6.5 million tonnes grading 0.33 grams of gold per tonne. As of the same date, the nearby Chipriona deposit has initial open pit inferred mineral resources of 6.4 million tonnes grading 0.78 grams of gold per tonne, 89.63 grams of silver per tonne, 0.19% copper and 0.79% zinc.

Regional Exploration Activities

During 2018, the Company continued to actively explore in Quebec, Nunavut, Nevada, Alaska, Finland, Sweden and Mexico. The Canadian regional exploration activities were focused on the Amaruq property in Nunavut and the Upper Beaver and Upper Canada projects near Kirkland Lake, Ontario (in which the Company increased its ownership from 50% to 100% in March 2018). In the United States, exploration activities during 2018 were concentrated on project evaluation. In Mexico, regional exploration was focused on the Santa Gertrudis, La India, Pinos Altos and El Barqueno properties. In Finland, regional exploration was focused to the north of the Kittila mine along the Kiistala fault, including the Kuotko deposit. In Sweden, the Company explored the Barsele project. The Partnership focused exploration on the Odyssey and East Malartic projects near 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 2018, the Company's land holdings in Canada consisted of 86 projects comprised of 4,443 mineral titles covering an aggregate of 622,479 hectares (of this total in Canada, five projects comprised of 289 mineral titles covering an aggregate of 12,131 hectares are held as a 50% interest with Yamana, including the Canadian Malartic mine). Land holdings in the United States consisted of five properties comprised of 2,371 mineral titles covering an aggregate of 34,586 hectares. Land holdings in Finland consisted of three groups of properties comprised of 87 mineral titles covering an aggregate of 32,044 hectares. Land holdings in Sweden consisted of two projects comprised of 31 mineral titles covering an aggregate of 50,047 hectares. Land holdings in Mexico consisted of 19 projects comprised of 215 mining concession titles covering an aggregate of 274,878 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 2018 was $137.7 million. This included drilling 804 holes for an aggregate of approximately 230 kilometres on 100% owned properties. It also included the Company's 50% portion of the cost of drilling 137 holes for an aggregate of approximately 67 kilometres on CMC 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 2019 is approximately $103.4 million, including approximately 185 kilometres of drilling on 100% owned properties, and 50% of the costs at the Canadian Malartic mine. For further details of the components of the 2019 exploration budget, see the Company's news release dated February 14, 2019.

Scientific and Technical Information

The scientific and technical information set out in this AIF has been approved by the following "qualified persons" as defined by NI 43-101: mineral reserves and mineral resources for all properties other than the Canadian Malartic

mine – Daniel Doucet, Eng., Senior Corporate Director, Reserve Development; mineral reserves for the Canadian Malartic mine – Sylvie Lampron, Eng., Senior Project Mine Engineer at CMC; mineral resources at the Canadian Malartic mine and the Odyssey and East Malartic projects – Pascal Lehouiller, P.Geo., Senior Resource Geologist at CMC; exploration – Guy Gosselin Eng., Vice President, Exploration; environmental – Louise Grondin P.Eng., Senior Vice President, Environment, Sustainable Development and People; mining operations, Southern Business – Marc Legault, Eng., Senior Vice President, Operations – U.S.A., Mexico & Latin America; metallurgy – Paul Cousin, P.Eng., Vice President, Operational Sustainability; 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.

Mineral Reserves and Mineral Resources

The Company's mineral reserves and mineral resources estimate was derived from internally generated data or geology reports. Historically, mineral reserves and mineral resources for all properties were 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 average prices for its 2016, 2017 and 2018 mineral reserve and mineral resource estimates.

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

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

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

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

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

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

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

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

The assumptions used for the 2016 mineral reserves and mineral resources estimate at all mines and advanced projects reported by the Company are set out in the following table.

	Metal prices				Exchange rates			
	Gold (US$/oz)	Silver (US$/oz)	Copper (US$/lb)	Zinc (US$/lb)	C$ per US$1.00	Mexican peso per US$1.00	US$ per €1.00	
Long-life operations and projects –					C$ 1.20	MXP16.00	US$ 1.15	
Short-life operations – Lapa, Meadowbank mine, Santos Nino pit and Creston Mascota satellite operation at Pinos Altos	$ 1,150	$ 16.50	$ 2.15	$ 0.95	C$ 1.30	MXP16.00	Not applicable	
Meliadine project	$ 1,100	Not applicable	Not applicable	Not applicable	C$ 1.16	Not applicable	Not applicable	
Upper Beaver*, Canadian Malartic mine**	$ 1,200	Not applicable	$ 2.75	Not applicable	C$ 1.25	Not applicable	Not applicable	

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

** *The Canadian Malartic mine used a cut-off grade between 0.33 g/t and 0.37 g/t gold (depending on the deposit)*

Set out below are the mineral reserve estimates as of December 31, 2018, as estimated in accordance with NI 43-101 (tonnages and contained gold quantities are rounded to the nearest thousand):

MINERAL RESERVES
As of December 31, 2018

OPERATION			PROVEN			PROBABLE			PROVEN & PROBABLE		
GOLD	**Mining Method**	**Ownership**	**000 Tonnes**	**g/t**	**000 Oz Au**	**000 Tonnes**	**g/t**	**000 Oz Au**	**000 Tonnes**	**g/t**	**000 Oz Au**
LaRonde	Underground	100%	4,817	4.87	754	11,561	6.26	2,327	16,378	5.85	3,081
LaRonde Zone 5	Underground	100%	4,053	2.03	264	5,377	2.41	417	9,430	2.25	681
Canadian Malartic	Open Pit	50%	23,029	0.89	658	55,799	1.18	2,122	78,828	1.10	2,780
Goldex	Underground	100%	207	2.06	14	18,717	1.58	949	18,925	1.58	962
Akasaba West	Open Pit	100%	-		-	5,432	0.84	147	5,432	0.84	147
Lapa	Underground	100%	-		-	-		-	-		-
Meadowbank	Open Pit	100%	1,141	1.57	58	464	2.68	40	1,605	1.89	98
Amaruq	Open Pit	100%	89	3.15	9	24,852	3.60	2,873	24,941	3.59	2,882
Meadowbank Complex Total			**1,230**	**1.68**	**67**	**25,315**	**3.58**	**2,913**	**26,546**	**3.49**	**2,979**
Meliadine	Open Pit	100%	150	5.67	27	3,552	5.52	630	3,702	5.52	657
Meliadine	Underground	100%	-		-	13,033	7.39	3,095	13,033	7.39	3,095
Meliadine Total			**150**	**5.67**	**27**	**16,585**	**6.99**	**3,725**	**16,736**	**6.97**	**3,753**
Upper Beaver	Underground	100%	-		-	7,992	5.43	1,395	7,992	5.43	1,395
Kittila	Underground	100%	491	4.12	65	30,040	4.50	4,349	30,531	4.50	4,414
Pinos Altos	Open Pit	100%	9	0.39	0	4,056	0.95	123	4,066	0.94	123
Pinos Altos	Underground	100%	4,772	2.71	416	8,266	2.43	645	13,039	2.53	1,061
Pinos Altos Total			**4,782**	**2.70**	**416**	**12,323**	**1.94**	**769**	**17,104**	**2.15**	**1,184**
Creston Mascota	Open Pit	100%	-		-	1,434	1.77	82	1,434	1.77	82
La India	Open Pit	100%	228	0.49	4	24,256	0.74	577	24,484	0.74	581
Totals	***Totals***		***38,987***	***1.81***	***2,268***	***214,833***	***2.86***	***19,771***	***253,820***	***2.70***	***22,039***

SILVER	**Mining Method**	**Ownership**	**000 Tonnes**	**g/t**	**000 Oz Ag**	**000 Tonnes**	**g/t**	**000 Oz Ag**	**000 Tonnes**	**g/t**	**000 Oz Ag**
LaRonde	Underground	100%	4,817	14.63	2,265	11,561	19.72	7,331	16,378	18.22	9,597
Pinos Altos	Open Pit	100%	9	138.55	42	4,056	25.01	3,262	4,066	25.28	3,304
Pinos Altos	Underground	100%	4,772	63.21	9,698	8,266	65.91	17,517	13,039	64.92	27,215
Pinos Altos Total	**subtotal**		**4,782**	**63.36**	**9,740**	**12,323**	**52.45**	**20,779**	**17,104**	**55.50**	**30,519**
Creston Mascota	Open Pit	100%	-		-	1,434	40.89	1,886	1,434	40.89	1,886
La India	Open Pit	100%	228	3.73	27	24,256	2.54	1,981	24,484	2.55	2,008
Totals	***Totals***		***9,826***	***38.09***	***12,032***	***49,575***	***20.06***	***31,977***	***59,401***	***23.04***	***44,010***

COPPER	**Mining Method**	**Ownership**	**000 Tonnes**	**%**	**tonnes Cu**	**000 Tonnes**	**%**	**tonnes Cu**	**000 Tonnes**	**%**	**tonnes Cu**
LaRonde	Underground	100%	4,817	0.20	9,874	11,561	0.28	32,877	16,378	0.26	42,751
Akasaba West	Open Pit	100%	-		-	5,432	0.48	25,832	5,432	0.48	25,832
Upper Beaver	Underground	100%	-		-	7,992	0.25	19,980	7,992	0.25	19,980
Totals	***Totals***		***4,817***	***0.20***	***9,874***	***24,985***	***0.31***	***78,689***	***29,802***	***0.30***	***88,563***

ZINC	**Mining Method**	**Ownership**	**000 Tonnes**	**%**	**tonnes Zn**	**000 Tonnes**	**%**	**tonnes Zn**	**000 Tonnes**	**%**	**tonnes Zn**
LaRonde	Underground	100%	4,817	0.54	25,797	11,561	0.99	114,430	16,378	0.86	140,226
Totals	***Totals***		***4,817***	***0.54***	***25,797***	***11,561***	***0.99***	***114,430***	***16,378***	***0.86***	***140,226***

MINERAL RESOURCES
As of December 31, 2018

OPERATION			MEASURED			INDICATED			MEASURED & INDICATED			INFERRED		
GOLD	**Mining Method**	**Ownership**	**000 Tonnes**	**g/t**	**000 Oz Au**	**000 Tonnes**	**g/t**	**000 Oz Au**	**000 Tonnes**	**g/t**	**000 Oz Au**	**000 Tonnes**	**g/t**	**000 Oz Au**
LaRonde	Underground	100%	-		-	4,872	3.25	509	4,872	3.25	509	5,494	4.95	874
LaRonde Zone 5	Underground	100%	-		-	6,796	2.34	510	6,796	2.34	510	2,985	5.19	498
Ellison	Underground	100%	-		-	665	3.19	68	665	3.19	68	2,343	3.38	254
Canadian Malartic	Open Pit	50%	238	0.48	4	915	0.48	14	1,153	0.48	18	998	0.98	32
Canadian Malartic	Underground	50%	1,647	1.49	79	6,426	1.66	342	8,073	1.62	421	1,694	1.38	75
Canadian Malartic Total			**1,885**	**1.36**	**83**	**7,341**	**1.51**	**356**	**9,226**	**1.48**	**439**	**2,692**	**1.23**	**107**
Odyssey	Underground	50%	-		-	1,009	2.11	68	1,009	2.11	68	11,498	2.19	809
East Malartic	Underground	50%	-		-	5,265	2.13	361	5,265	2.13	361	22,021	1.98	1,403
Goldex	Underground	100%	12,360	1.86	739	15,413	1.90	944	27,773	1.88	1,683	27,791	1.50	1,338
Akasaba West	Open Pit	100%	-		-	2,141	0.67	46	2,141	0.67	46	-		-
Lapa	Underground	100%	-		-	-		-	-		-	-		-
Zulapa	Open Pit	100%	-		-	-		-	-		-	391	3.14	39
Meadowbank	Open Pit	100%	25	0.96	1	1,728	2.35	130	1,752	2.33	131	63	2.05	4
Amaruq	Open Pit	100%	-		-	4,247	3.34	455	4,247	3.34	455	899	4.20	121
Amaruq	Underground	100%	-		-	4,618	4.56	676	4,618	4.56	676	11,675	5.19	1,948
Amaruq Total			-		-	**8,865**	**3.97**	**1,132**	**8,865**	**3.97**	**1,132**	**12,573**	**5.12**	**2,069**
Meadowbank Complex Total			**25**	**0.96**	**1**	**10,593**	**3.71**	**1,262**	**10,618**	**3.70**	**1,263**	**12,637**	**5.10**	**2,073**
Meliadine	Open Pit	100%	-		-	10,643	3.51	1,200	10,643	3.51	1,200	997	4.60	148
Meliadine	Underground	100%	-		-	15,319	4.02	1,979	15,319	4.02	1,979	12,482	6.11	2,450
Meliadine Total			-		-	**25,962**	**3.81**	**3,179**	**25,962**	**3.81**	**3,179**	**13,479**	**6.00**	**2,598**
Hammond Reef	Open Pit	100%	165,662	0.70	3,724	42,754	0.57	777	208,416	0.67	4,501	501	0.74	12
Upper Beaver	Underground	100%	-		-	3,636	3.45	403	3,636	3.45	403	8,688	5.07	1,416
AK Project	Underground	100%	-		-	1,268	6.51	265	1,268	6.51	265	2,373	5.32	406
Anoki-McBean	Underground	100%	-		-	1,868	5.33	320	1,868	5.33	320	2,526	4.70	382
Upper Canada	Open Pit	100%	-		-	-		-	-		-	4,886	1.97	309
Upper Canada	Underground	100%	-		-	-		-	-		-	7,212	6.22	1,442
Upper Canada Total			-		-	-		-	-		-	**12,098**	**4.50**	**1,752**
Kittila	Open Pit	100%	-		-	229	3.41	25	229	3.41	25	373	3.89	47
Kittila	Underground	100%	1,776	2.62	150	16,802	2.64	1,424	18,578	2.63	1,574	7,879	3.84	972
Kittila Total			**1,776**	**2.62**	**150**	**17,030**	**2.65**	**1,449**	**18,807**	**2.64**	**1,599**	**8,252**	**3.84**	**1,019**
Kuotko	Open Pit	100%	-		-	-		-	-		-	284	3.18	29
Kylmäkangas	Underground	100%	-		-	-		-	-		-	1,896	4.11	250
Barsele	Open Pit	55%	-		-	3,178	1.08	111	3,178	1.08	111	2,260	1.25	91
Barsele	Underground	55%	-		-	1,158	1.77	66	1,158	1.77	66	13,552	2.10	914
Barsele Total			-		-	**4,335**	**1.27**	**176**	**4,335**	**1.27**	**176**	**15,811**	**1.98**	**1,005**
Pinos Altos	Open Pit	100%	-		-	934	0.61	18	934	0.61	18	758	0.84	20
Pinos Altos	Underground	100%	-		-	18,165	1.84	1,073	18,165	1.84	1,073	4,041	2.17	282
Pinos Altos Total			-		-	**19,098**	**1.78**	**1,091**	**19,098**	**1.78**	**1,091**	**4,799**	**1.96**	**302**
Creston Mascota	Open Pit	100%	-		-	1,345	0.65	28	1,345	0.65	28	386	1.02	13
La India	Open Pit	100%	11,908	0.57	219	2,774	0.53	47	14,682	0.57	267	1,761	0.53	30
Tarachi	Open Pit	100%	-		-	22,665	0.40	294	22,665	0.40	294	6,476	0.33	68
Chipriona	Open Pit	100%	-		-	-		-	-		-	6,355	0.78	160
El Barqueño Gold	Open Pit	100%	-		-	8,115	1.22	318	8,115	1.22	318	8,200	1.22	322
Santa Gertrudis	Open Pit	100%	-		-	-		-	-		-	27,498	1.09	962
Totals	***Totals***		***193,615***	***0.79***	***4,916***	***204,946***	***1.89***	***12,475***	***398,562***	***1.36***	***17,390***	***209,232***	***2.69***	***18,122***

SILVER	Mining Method	Ownership	000 Tonnes	g/t	000 Oz Ag	000 Tonnes	g/t	000 Oz Ag	000 Tonnes	g/t	000 Oz Ag	000 Tonnes	g/t	000 Oz Ag
LaRonde	Underground	100%	-		-	4,872	25.34	3,969	4,872	25.34	3,969	5,494	14.31	2,528
Kylmäkangas	Underground	100%	-		-	-		-	-		-	1,896	31.11	1,896
Pinos Altos	Open Pit	100%	-		-	934	13.05	392	934	13.05	392	758	17.41	424
Pinos Altos	Underground	100%	-		-	18,165	42.42	24,771	18,165	42.42	24,771	4,041	49.16	6,387
Pinos Altos Total			-		-	**19,098**	**40.98**	**25,163**	**19,098**	**40.98**	**25,163**	**4,799**	**44.15**	**6,811**
Creston Mascota	Open Pit	100%	-		-	1,345	8.78	380	1,345	8.78	380	386	9.91	123
La India	Open Pit	100%	11,908	3.20	1,227	2,774	4.44	396	14,682	3.44	1,623	1,761	3.37	191
Chipriona	Open Pit	100%	-		-	-		-	-		-	6,355	89.63	18,312
El Barqueño Silver	Open Pit	100%	-		-	-		-	-		-	4,108	127.97	16,901
El Barqueño Gold	Open Pit	100%	-		-	8,115	4.63	1,208	8,115	4.63	1,208	8,200	17.45	4,600
Totals	***Totals***		***11,908***	***3.20***	***1,227***	***36,205***	***26.73***	***31,116***	***48,112***	***20.91***	***32,343***	***32,998***	***48.41***	***51,362***

COPPER	Mining Method	Ownership	000 Tonnes	%	Tonnes Cu	000 Tonnes	%	Tonnes Cu	000 Tonnes	%	Tonnes Cu	000 Tonnes	%	Tonnes Cu
LaRonde	Underground	100%	-		-	4,872	0.16	7,582	4,872	0.16	7,582	5,494	0.24	13,248
Akasaba West	Open Pit	100%	-		-	2,141	0.40	8,511	2,141	0.40	8,511	-		-
Upper Beaver	Underground	100%	-		-	3,636	0.14	5,135	3,636	0.14	5,135	8,688	0.20	17,284
Chipriona	Open Pit	100%	-		-	-		-	-		-	6,355	0.19	11,787
El Barqueño Gold	Open Pit	100%	-		-	8,115	0.18	14,949	8,115	0.18	14,949	8,200	0.22	18,069
Totals	***Totals***		-		-	***18,764***	***0.19***	***36,177***	***18,764***	***0.19***	***36,177***	***28,736***	***0.21***	***60,388***

ZINC	Mining Method	Ownership	000 Tonnes	%	Tonnes Zn	000 Tonnes	%	Tonnes Zn	000 Tonnes	%	Tonnes Zn	000 Tonnes	%	Tonnes Zn
LaRonde	Underground	100%	-		-	4,872	0.97	47,051	4,872	0.97	47,051	5,494	0.63	34,523
Chipriona	Open Pit	100%	-		-	-		-	-		-	6,355	0.79	50,400
Totals	***Totals***		-		-	***4,872***	***0.97***	***47,051***	***4,872***	***0.97***	***47,051***	***11,849***	***0.72***	***84,923***

In the tables below setting out mineral reserve information about the Company's mineral projects, and elsewhere in this AIF, the total contained gold ounces stated do not include equivalent gold ounces for by-product metals contained in the mineral reserve. Mineral reserves are not reported as a subset of mineral resources. Tonnage amounts and contained metal amounts presented in these tables have been rounded to the nearest thousand, so aggregate amounts may differ from column totals. The amounts reported are the Company's percentage interest in the properties as at December 31, 2018. For all mineral reserves, the reported metal grades reflect dilution after mining recovery. For all measured and indicated mineral resources in the properties 100% owned by the Company, the reported metal grades reflect dilution after mining recovery. All other mineral resource numbers do not reflect dilution after mining recovery. The mineral reserve and mineral resource figures presented in this AIF are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

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

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

Mineral Reserves and Mineral Resources

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LaRonde Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2018	**2017**	**2016**
Gold			
Proven mineral reserves – tonnes	4,817,000	5,746,000	5,833,000
Average grade – gold grams per tonne	4.87	4.94	4.91
Probable mineral reserves – tonnes	11,561,000	9,533,000	11,758,000
Average grade – gold grams per tonne	6.26	5.66	5.64
Total proven and probable mineral reserves – tonnes	**16,378,000**	**15,279,000**	**17,591,000**
Average grade – gold grams per tonne	**5.85**	**5.39**	**5.40**
Total contained gold ounces	**3,081,000**	**2,647,000**	**3,053,000**

Notes:

(1) The 2018 proven and probable mineral reserve estimates set out in the table above are based on a net smelter return cut-off value of the ore of C$110-C$133 per tonne. There are no mineral reserves from open pit deposits. The metallurgical recovery rates at the LaRonde mine averaged 95.38% for gold, 87.55% for silver, 86.75% for zinc and 76.03% for copper in 2018. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 0.9% increase or 0.6% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2018, the LaRonde mine contained indicated mineral resources of 4,872,000 tonnes grading 3.25 grams of gold per tonne, 25.34 grams of silver per tonne, 0.16% copper and 0.97% zinc and inferred mineral resources of 5,494,000 tonnes grading 4.95 grams of gold per tonne, 14.31 grams of silver per tonne, 0.24% copper and 0.63% zinc. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the LaRonde mine by category at December 31, 2018 with those at December 31, 2017. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2018.

	Proven	**Probable**	**Total**
December 31, 2017	5,746	9,533	15,279
Processed in 2018	(2,108)	–	(2,108)
Revision	1,179	2,028	3,207
December 31, 2018	**4,817**	**11,561**	**16,378**

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

LaRonde Zone 5 Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2018	**2017**	**2016**
Gold			
Proven mineral reserves – tonnes	4,053,000	3,758,000	2,836,000
Average grade – gold grams per tonne	2.03	2.02	2.12
Probable mineral reserves – tonnes	5,377,000	2,477,000	3,429,000
Average grade – gold grams per tonne	2.41	1.97	2.08
Total proven and probable mineral reserves – tonnes	**9,430,000**	**6,236,000**	**6,265,000**
Average grade – gold grams per tonne	**2.25**	**2.00**	**2.10**
Total contained gold ounces	**681,000**	**401,000**	**423,000**

Notes:

(1) The 2018 proven and probable mineral reserve estimates set out in the table above are based on a net smelter return cut-off value of the ore of C$65 per tonne. There are no mineral reserves at open pit deposits. The metallurgical recovery rate at the LaRonde Zone 5 mine averaged 94% for gold in 2018. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 7.4% increase or 5.5% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2018, the LaRonde Zone 5 mine contained indicated mineral resources of 6,796,000 tonnes grading 2.34 grams of gold per tonne and inferred mineral resources of 2,985,000 tonnes grading 5.19 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 Zone 5 mine by category at December 31, 2018 with those at December 31, 2017. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2018.

	Proven	**Probable**	**Total**
December 31, 2017	3,758	2,477	6,236
Processed in 2018	(225)	–	(225)
Revision	520	2,900	3,419
December 31, 2018	**4,053**	**5,377**	**9,430**

Goldex Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2018	**2017**	**2016**
Gold			
Proven mineral reserves – tonnes	207,000	181,000	294,000
Average grade – gold grams per tonne	2.06	1.61	1.47
Probable mineral reserves – tonnes	18,717,000	18,006,000	16,507,000
Average grade – gold grams per tonne	1.58	1.57	1.64
Total proven and probable mineral reserves – tonnes	**18,925,000**	**18,186,000**	**16,801,000**
Average grade – gold grams per tonne	**1.58**	**1.57**	**1.64**
Total contained gold ounces	**962,000**	**917,000**	**886,000**

Notes:

(1) The 2018 proven and probable mineral reserve estimates set out in the table above were estimated using an assumed metallurgical gold recovery ranging from 80% to 90.9%. As of December 31, 2018, the operating costs per tonne were estimated to be in the range of C$39.71 to C$74.17. The cut-off grade used for mineral reserves ranged from 0.99 to 2.09 grams of gold per tonne depending on the zone. There are no mineral reserves in open pit deposits. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 0.5% increase or 4.3% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2018, the Goldex mine contained measured mineral resources of 12,360,000 tonnes grading 1.86 grams of gold per tonne, indicated mineral resources of 15,413,000 tonnes grading 1.90 grams of gold per tonne and inferred mineral resources of 27,791,000 tonnes grading 1.50 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, 2018 with those at December 31, 2017. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2018.

	Proven	**Probable**	**Total**
December 31, 2017	181	18,006	18,186
Processed in 2018	(31)	(2,594)	(2,625)
Revision	57	3,305	3,363
December 31, 2018	**207**	**18,717**	**18,925**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information 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,		
	2018	**2017**	**2016**
Gold			
Proven mineral reserves – tonnes	23,029,000	24,990,000	25,560,000
Average grade – gold grams per tonne	0.89	0.95	0.95
Probable mineral reserves – tonnes	55,799,000	65,509,000	76,274,000
Average grade – gold grams per tonne	1.18	1.15	1.13
Total proven and probable mineral reserves – tonnes	**78,828,000**	**90,499,000**	**101,834,000**
Average grade – gold grams per tonne	**1.10**	**1.10**	**1.08**
Total contained gold ounces	**2,780,000**	**3,189,000**	**3,548,000**

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 2018 proven and probable mineral reserves set out in the table above were estimated using an assumed metallurgical gold recovery of between 87% and 96.7% and a cut-off grade from 0.37 to 0.38 grams of gold per tonne, depending on the deposit. There are no mineral reserves in underground deposits. The operating cost per tonne estimate for the Canadian Malartic mine as of December 31, 2018 was C$3.73 per tonne for Canadian Malartic and the Barnat deposit and C$5.29 per tonne for the Jeffrey deposit. The Company estimates that a $120 (10%) increase or decrease in the gold price would result in an approximate 4.3% increase or 5.2% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2018, the Canadian Malartic mine (Agnico Eagle's 50% interest) contained measured mineral resources of 1,885,000 tonnes grading 1.36 grams of gold per tonne, indicated mineral resources of 7,341,000 tonnes grading 1.51 grams of gold per tonne and inferred mineral resources of 2,692,000 tonnes grading 1.23 grams of gold per tonne. The Odyssey Deposit, located near the Canadian Malartic mine, contained underground indicated mineral resources of 1,009,000 tonnes grading 2.11 grams of gold per tonne and underground inferred mineral resources of 11,498,000 tonnes grading 2.19 grams of gold per tonne. The East Malartic Deposit, located near the Canadian Malartic mine, contained underground indicated mineral resources of 5,265,000 tonnes grading 2.13 grams of gold per tonne and underground inferred mineral resources of 22,021,000 tonnes grading 1.98 grams of gold per tonne. Gold cut-off grades used for mineral resource estimates for East Malartic and for Odyssey were fixed at 80% of the applicable mineral reserve cut-off grade and a cut-off grade of 1.0 grams of gold per tonne was used for mineral resources below the open pit of Canadian Malartic.

(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, 2018 with those at December 31, 2017, stating Agnico Eagle's 50% interest. Revision indicates additional mineral reserves converted from mineral resources during 2018.

	Proven	**Probable**	**Total**
December 31, 2017	24,990	65,509	90,499
Processed in 2018	(10,242)	–	(10,242)
Revision	8,281	(9,710)	(1,429)
December 31, 2018	**23,029**	**55,799**	**78,828**

(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,		
	2018	**2017**	**2016**
Gold			
Proven mineral reserves – tonnes	491,000	971,000	1,148,000
Average grade – gold grams per tonne	4.12	4.26	4.19
Probable mineral reserves – tonnes	30,040,000	25,894,000	28,907,000
Average grade – gold grams per tonne	4.50	4.75	4.65
Total proven and probable mineral reserves – tonnes	**30,531,000**	**26,865,000**	**30,055,000**
Average grade – gold grams per tonne	**4.50**	**4.74**	**4.64**
Total contained gold ounces	**4,414,000**	**4,090,000**	**4,479,000**

Notes:

(1) The 2018 proven and probable mineral reserves set out in the table above were estimated using a metallurgical gold recovery of 86.2%. Gold cut-off grades used were between 2.7 grams of gold per tonne and 3.1 grams of gold per tonne, diluted, depending on depth, for underground mineral reserves. There are no mineral reserves from open pit operations in 2018. Underground operating cost was estimated between €72.79 and €84.07 per tonne at December 31, 2018. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 9.4% increase or 14.0% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2018, the Kittila mine contained measured mineral resources of 1,776,000 tonnes grading 2.62 grams of gold per tonne, indicated mineral resources of 17,030,000 tonnes grading 2.65 grams of gold per tonne and inferred mineral resources of 8,252,000 tonnes grading 3.84 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, 2018 with those at December 31, 2017. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2018.

	Proven	**Probable**	**Total**
December 31, 2017	971	25,894	26,865
Processed in 2018	(1,827)	–	(1,827)
Revision	1,347	4,146	5,493
December 31, 2018	**491**	**30,040**	**30,531**

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

	As at December 31,		
	2018	**2017**	**2016**
Gold			
Proven mineral reserves – tonnes	1,230,000	1,820,000	1,704,000
Average grade – gold grams per tonne	1.68	1.36	1.75
Probable mineral reserves – tonnes	25,315,000	22,951,000	6,515,000
Average grade – gold grams per tonne	3.58	3.57	2.94
Total proven and probable mineral reserves – tonnes	**26,546,000**	**24,771,000**	**8,219,000**
Average grade – gold grams per tonne	**3.49**	**3.40**	**2.69**
Total contained gold ounces	**2,979,000**	**2,710,000**	**711,000**

Notes:

(1) The 2018 proven and probable mineral reserve estimates set out in the table above were estimated using a cut-off grade that used metallurgical gold recoveries ranging from 89% to 95%, depending on the deposit and grade. The cut-off grade used for mineral reserves varied from 0.94 grams of gold per tonne to 1.66 grams of gold per tonne, depending on the deposit. There are no mineral reserves in underground deposits. The operating costs used for the mineral reserve estimate as of December 31, 2018 varied between C$51.71 per tonne and C$84.20 per tonne, depending on the deposit, including an additional haulage cost of C$0.85 per tonne for Vault deposit mineral reserves and C$13.97 per tonne for the Amaruq satellite deposit mineral reserves. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 0.8% increase or 2.8% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2018, the Meadowbank Complex contained measured mineral resources of 25,000 tonnes grading 0.96 grams of gold per tonne, indicated mineral resources of 10,593,000 tonnes grading 3.71 grams of gold per tonne and inferred mineral resources of 12,637,000 tonnes grading 5.10 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 Complex by category at December 31, 2018 with those at December 31, 2017. 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 2018.

	Proven	**Probable**	**Total**
December 31, 2016	1,820	22,951	24,771
Processed in 2017	(3,263)	–	(3,263)
Revision	2,673	2,364	5,038
December 31, 2017	**1,230**	**25,315**	**26,546**

(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 Complex may be found in the Technical Report on the Mineral Resources and Mineral Reserves at the Meadowbank Gold Complex including the Amaruq Satellite Mine Development, Nunavut, Canada as at December 31, 2017 filed with Canadian securities regulatory authorities on SEDAR on March 22, 2018, authored by David Paquin Bilodeau, P.Geo., Robert Badiu, P.Geo., Pierre McMullen, P. Eng. and Karl Leetmaa, P. Eng.

Meliadine Project Mineral Reserves and Mineral Resources

	As at December 31,		
	2018	**2017**	**2016**
Gold			
Proven mineral reserves – tonnes	150,000	48,000	34,000
Average grade – gold grams per tonne	5.67	7.17	7.31
Probable mineral reserves – tonnes	16,585,000	16,010,000	14,495,000
Average grade – gold grams per tonne	6.99	7.12	7.32
Total proven and probable mineral reserves – tonnes	**16,736,000**	**16,058,000**	**14,529,000**
Average grade – gold grams per tonne	**6.97**	**7.12**	**7.32**
Total contained gold ounces	**3,753,000**	**3,677,000**	**3,417,000**

Notes:

(1) The forecast production and other parameters surrounding the Company's proposed Meliadine operations set out in this AIF were based on a preliminary economic assessment, which is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the forecast production amounts or other parameters will be realized. The basis for the preliminary economic assessment and the qualifications and assumptions made by the qualified person who undertook the preliminary economic assessment are set out below. The results of the preliminary economic assessment had no impact on the results of any pre-feasibility or feasibility study in respect of Meliadine.

(2) The 2018 proven and probable mineral reserves set out in the table above were estimated using a metallurgical gold recovery of 92.27% for Tiriganiaq open pit, 94.27% for Tiriganiaq underground ore and 91.74% for Tiriganiaq underground marginal ore. For the Wesmeg deposit, the metallurgical gold recovery estimates were 92.82% for underground ore and 90.29% for underground marginal ore. The cut-off grades used were 2.02 grams of gold per tonne diluted for Tiriganiq open pit ore, 1.69 grams of gold per tonne diluted for Tiriganiq open pit marginal ore, 3.91 grams of gold per tonne diluted for Tiriganiq underground ore, 1.69 grams of gold per tonne diluted for Tiriganiq underground marginal ore, 3.91 grams of gold per tonne diluted for Wesmeg underground ore and 1.71 grams of gold per tonne diluted for Wesmeg underground marginal ore. The estimated operating costs used for the mineral reserve estimate as of December 31, 2018 was C$81.52 per tonne for Tiriganiaq open pit ore, C$68.00 per tonne for Tiriganiaq marginal open pit ore, C$161.58 per tonne for Tiriganiaq underground ore and C$67.80 per tonne for Tiriganiaq marginal underground ore. For the Wesmeg deposit, the operating costs were C$161.58 per tonne for underground ore and C$67.80 per tonne for marginal underground ore. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 5.7% increase or 6.2% decrease, respectively, in mineral reserves.

(3) In addition to the mineral reserves set out above, at December 31, 2018, the Meliadine project contained indicated mineral resources of 25,962,000 tonnes grading 3.81 grams of gold per tonne and inferred mineral resources of 13,479,000 tonnes grading 6.00 grams of gold per tonne. The 2018 mineral resources at the Tiriganiaq-Normeg-Wesmeg, F Zone, Pump, Discovery and Wolf deposits were estimated using metallurgical gold recoveries ranging between 86.95% and 96.50% depending on the deposit, open pit or underground and whether ore is marginal ore. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(4) The breakdown of open pit and underground mineral reserves at the Meliadine project (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2018 is:

Category	**Mining Method**	**Tonnes**	**Gold Grade (g/t)**	**Contained Gold (oz)**
Proven mineral reserves	Open pit stockpile	150,000	5.67	27,000
Probable mineral reserves	Open pit	3,552,000	5.52	630,000
Probable mineral reserves	Underground	13,033,000	7.39	3,095,000
Total probable mineral reserves		**16,585,000**	**6.99**	**3,725,000**
Total proven and probable mineral reserves		**16,736,000**	**6.97**	**3,753,000**

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

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Pinos Altos Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2018	**2017**	**2016**
Gold and Silver			
Proven mineral reserves – tonnes	4,782,000	4,304,000	3,512,000
Average gold grade – grams per tonne	2.70	2.55	2.69
Average silver grade – grams per tonne	63.36	68.29	74.88
Probable mineral reserves – tonnes	12,323,000	12,132,000	13,889,000
Average gold grade – grams per tonne	1.94	2.36	2.51
Average silver grade – grams per tonne	52.45	62.98	66.45
Total proven and probable mineral reserves – tonnes	**17,104,000**	**16,435,000**	**17,401,000**
Average gold grade – grams per tonne	**2.15**	**2.41**	**2.55**
Average silver grade – grams per tonne	**55.50**	**64.37**	**68.15**
Total contained gold ounces	**1,184,000**	**1,273,000**	**1,424,000**
Total contained silver ounces	**30,519,000**	**34,015,000**	**38,127,000**

Notes:

(1) The 2018 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 $8.69 per tonne and $30.48 per tonne, depending on the processing method, and a net smelter return cut-off value of the underground ore of $59.98 per tonne. The metallurgical gold recovery used in the reserve estimates varied between 74.3% and 93.71%, depending on the deposit and the processing method. The metallurgical silver recovery used in the reserve estimates varied between 16.30% and 53.54%, depending on the deposit and the processing method. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 0.4% increase or 3.7% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2018, the Pinos Altos mine contained indicated mineral resources of 19,098,000 tonnes grading 1.78 grams of gold per tonne and 40.98 grams of silver per tonne and inferred mineral resources of 4,799,000 tonnes grading 1.96 grams of gold per tonne and 44.15 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, 2018 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	9,000	0.39	138.55	0	42,000
Proven mineral reserves	Underground	4,772,000	2.71	63.21	416,000	9,698,000
Total proven mineral reserves		**4,782,000**	**2.70**	**63.36**	**416,000**	**9,740,000**
Probable mineral reserves	Open pit	4,056,000	0.95	25.01	123,000	3,262,000
Probable mineral reserves	Underground	8,266,000	2.43	65.91	645,000	17,517,000
Total probable mineral reserves		**12,323,000**	**1.94**	**52.45**	**769,000**	**20,779,000**
Total proven and probable mineral reserves		**17,104,000**	**2.15**	**55.50**	**1,184,000**	**30,519,000**

(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, 2018 with those at December 31, 2017. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2018.

	Proven	Probable	Total
December 31, 2017	4,304	12,132	16,435
Processed in 2018	(2,218)	–	(2,218)
Revision	2,696	191	2,887
December 31, 2018	**4,782**	**12,323**	**17,104**

(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,		
	2018	**2017**	**2016**
Gold and Silver			
Proven mineral reserves – tonnes	–	21,000	65,000
Average gold grade – grams per tonne	–	0.90	0.94
Average silver grade – grams per tonne	–	9.56	8.07
Probable mineral reserves – tonnes	1,434,000	2,368,000	2,426,000
Average gold grade – grams per tonne	1.77	1.47	1.29
Average silver grade – grams per tonne	40.89	30.36	11.44
Total proven and probable mineral reserves – tonnes	**1,434,000**	**2,389,000**	**2,491,000**
Average gold grade – grams per tonne	**1.77**	**1.47**	**1.28**
Average silver grade – grams per tonne	**40.89**	**30.18**	**11.35**
Total contained gold ounces	**82,000**	**113,000**	**102,000**
Total contained silver ounces	**1,886,000**	**2,318,000**	**909,000**

Notes:

(1) The 2018 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 $12.53 per tonne. There are no mineral reserves in underground deposits. For the Creston Mascota deposit the metallurgical recovery used in the reserve estimates was 54.0% for gold and 20.0% for silver. For the Mina Bravo Deposit the metallurgical recovery used in the reserve estimates was 71.0% for gold and 24.0% for silver. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 1.0% increase or 4.5% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2018, the Creston Mascota deposit at Pinos Altos contained indicated mineral resources of 1,345,000 tonnes grading 0.65 grams of gold per tonne and 8.78 grams of silver per tonne and inferred mineral resources of 386,000 tonnes grading 1.02 grams of gold per tonne and 9.91 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, 2018 with those at December 31, 2017. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2018.

	Proven	Probable	Total

December 31, 2017	21	2,368	2,389
Processed in 2018	(1,422)	–	(1,422)
Revision	1,401	(934)	467
December 31, 2018	**–**	**1,434**	**1,434**

(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,		
	2018	**2017**	**2016**
Gold			
Proven mineral reserves – tonnes	228,000	266,000	213,000
Average gold grade – grams per tonne	0.49	0.49	0.61
Average silver grade – grams per tonne	3.73	3.40	14.67
Probable mineral reserves – tonnes	24,256,000	30,394,000	43,756,000
Average gold grade – grams per tonne	0.74	0.69	0.72
Average silver grade – grams per tonne	2.54	2.14	2.57
Total proven and probable mineral reserves – tonnes	**24,484,000**	**30,660,000**	**43,969,000**
Average gold grade – grams per tonne	**0.74**	**0.69**	**0.72**
Average silver grade – grams per tonne	**2.55**	**2.15**	**2.63**
Total contained gold ounces	**581,000**	**679,000**	**1,020,000**
Total contained silver ounces	**2,008,000**	**2,123,000**	**3,716,000**

Notes:

(1) The 2018 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 for the oxide of 72.0% to 89.0% depending on the zone and an average metallurgical gold recovery for the sulphide of 40.0% to 65.3% depending on the lithological domains. The cut-off grade used for mineral reserves varied depending on the deposit and the type of ore from 0.25 grams of gold per tonne to 0.62 grams of gold per tonne. Marginal cut-off grades varied depending on domain from 0.24 grams of gold per tonne to 0.91 grams of gold per tonne. There are no mineral reserves in underground deposits. The estimated operating cost used for the mineral reserve estimate as of December 31, 2018 was $7.97 per tonne. The Company estimates that a $100 (9%) increase or decrease in the gold price would result in an approximate 9.0% increase or 13.5% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2018, the La India mine (excluding the Tarachi deposit) contained measured mineral resources of 11,908,000 tonnes grading 0.57 grams of gold per tonne and 3.20 grams of silver per tonne, indicated mineral resources of 2,774,000 tonnes grading 0.53 grams of gold per tonne and 4.44 grams of silver per tonne and inferred mineral resources of 1,761,000 tonnes grading 0.53 grams of gold per tonne and 3.37 grams of silver per tonne. The Tarachi Deposit, located near the La India mine, contained indicated mineral resources of 22,665,000 tonnes grading 0.40 grams of gold per tonne and inferred mineral resources of 6,476,000 tonnes grading 0.33 grams of gold per tonne. The Chipriona Deposit, located near the La India mine, contained inferred mineral resources of 6,355,000 tonnes grading 0.78 grams of gold per tonne, 89.63 grams of silver per tonne, 0.19% copper and 0.79% zinc. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table shows the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the La India mine by category at December 31, 2018 with those at December 31, 2017. 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 2018.

	Proven	**Probable**	**Total**
December 31, 2017	266	30,394	30,660
Processed in 2018	(6,128)	–	(6,128)
Revision	6,090	(6,138)	(48)
December 31, 2018	**228**	**24,256**	**24,484**

(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, 2018, the Company had 10,054 employees comprised of 5,990 permanent employees, 3,452 contractors, 340 temporary employees and 272 students. Of the permanent employees, 936 were employed at the LaRonde mine, 31 at the Lapa mine, 412 at the Goldex mine, 726 at the Canadian Malartic mine (with an additional 29 in the Canadian Malartic office, 456 at the Kittila mine (with an additional five at the Finnish exploration group), 718 at the Meadowbank mine (including two at the Baker Lake office and 28 in Quebec), 457 at the Meliadine project, 1,069 at the Pinos Altos mine, 278 at the Creston Mascota deposit at Pinos Altos, 422 at the La India mine, 77 in the exploration group in Mexico, 11 at the regional office in Mexico, 30 in the exploration group in Canada and the United States (with an additional 15 at the Kirkland Lake and Hammond Reef properties), 149 at the regional technical office in Abitibi, six at the regional office in Tucson, 11 at the regional office in Sweden and 152 at the corporate head office in Toronto. The number of permanent employees of the Company at the end of 2018, 2017 and 2016 was 5,990, 5,514 and 5,223, 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 2018, the Company continued the process of incorporating health, safety and environmental sustainability into all aspects and stages of its business, from the corporate objectives and executive responsibility of 'maintaining high standards in sustainability' to exploration and acquisition activities, day to day operations and site closure. The formal integration of this process began in 2012 with the adoption of an integrated Health, Safety, Environment and Social Acceptability Policy (the "Sustainable Development Policy") that reflects the Company's commitment to responsible mining practices. 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 Occupational Health and Safety Assessment Series 18001 Health and Safety Management System.

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

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

Canada and endorsed the TSM Initiative. The TSM Initiative 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.

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

In 2018, the Company adopted an indigenous engagement policy and a diversity and inclusion policy.

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, worsened during 2018. A combined lost-time and restricted work accident frequency rate (excluding the Canadian Malartic mine) of 1.27 was achieved, an increase from the 2017 rate of 0.91 and above the target rate of 1.1. The increase is primarily due to construction activities at Meadowbank and Meliadine, and the Company has instituted an action plan to address the situation. Extensive health and safety training was also provided to employees during 2018.

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

In 2018, the AMQ acknowledged the Company's strong performance in the area of health and safety, recognizing 21 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 21 supervisors achieved more than 1.65 million hours supervised without a lost-time accident for a member of their crew. The AMQ also recognized 15 supervisors from the Canadian Malartic mine for achieving 2.2 million hours without a lost-time accident.

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

The Canadian Malartic mine's combined accident frequency rate in 2018 was 1.21, an increase from the 2017 rate of 0.78 and above the target rate of 1.1.

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 2018, the overall Company average for local hiring was 62%. The Company believes that providing employment is one of the most significant contributions it can make to the communities in which it operates.

The Company continued its efforts in community development agreements in Nunavut. In 2015, the Meadowbank IIBA was renewed and the Meliadine IIBA was signed and in 2018, the Amaruq IIBA was signed. In 2018, the

Company continued its dialogue with First Nations in the Abitibi region and with First Nations around the Kirkland Lake project.

The Company has adopted a reconciliation action plan consistent with the call for action No. 92 of the *Truth and Reconciliation Commission of Canada: Calls to Action*, the first step of which was to give training on First Nations Matters to the Company's senior management. This training took place in December 2018.

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

With respect to activities in 2018, the Canadian Malartic mine received one non-compliance notice for NOx emissions during a blast that occurred in April. 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, 2018 was $399 million (including the Company's share of the Canadian Malartic reclamation costs) and the Company's reclamation expenses for the year ended December 31, 2018 were $5.7 million. For more information please see note 12 to the Annual Financial Statements.

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

RISK FACTORS

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

The Company'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 exchange rate of the U.S. dollar to other major currencies, interest rates, global and regional demand, political and economic conditions, production costs in major gold-producing regions, speculative positions taken by investors or traders in gold and changes in supply, including worldwide production levels, all of which are beyond the Company's control. The aggregate effect of these factors is impossible to predict with accuracy. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities or world events. Fluctuations in gold prices may materially adversely affect the Company's financial performance or results of operations. If the market price of gold falls below the Company's realized or anticipated all-in sustaining costs per ounce of production at one or more of its mines, projects or other properties and remains so for any sustained period, the Company may experience losses and/or may curtail or suspend some or all of its mining, exploration or development activities at such mines, projects or other property or at other mines or projects. In addition, such fluctuations may require changes to the mine plans. The Company's current mine plans and mineral reserve and mineral resource estimates are based on a gold price of $1,150 per ounce, other than at the Canadian Malartic mine, the Upper Canada project and the Upper Beaver project, where mineral reserves and mineral resources are based on gold prices of $1,200 per ounce (see "Operations and Production – Mineral Reserves and Mineral Resources – Information on Mineral Reserves and Mineral Resources of the Company"). If the price of gold falls below such levels, the mines may be rendered uneconomic and production may be suspended. In addition, lower gold prices may require the mine plans to be changed, which may result in reduced production, higher costs than anticipated, or both, and estimates of mineral reserves and mineral resources may be reduced. Further, the prices received from the sale of the Company's by-product metals produced at its LaRonde mine (silver, zinc and copper) and its Pinos Altos, La India and Canadian Malartic mines (silver) affect the Company's ability to meet its targets for total cash costs per ounce or all-in sustaining costs per ounce of gold produced when such measures are calculated on a by-product basis. By-product metal prices fluctuate widely and are also affected by numerous factors beyond the Company's control. The Company's policy and practice is not to sell forward its future gold production; however, under the Company's Board-approved price risk management policy, the Company may review this practice on a project by project basis. See "Risk Profile – Commodity Prices and Foreign Currencies" and "Risk Profile – Financial Instruments" in the Annual MD&A for more details on the Company's use of derivative instruments. The Company occasionally uses derivative instruments to mitigate the effects of fluctuating by-product metal prices; however, these measures may not be successful.

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

	2019 (to March 22)	2018	2017	2016	2015	2014
High price ($ per ounce)	1,344	1,355	1,346	1,366	1,296	1,385
Low price ($ per ounce)	1,280	1,178	1,151	1,077	1,049	1,142
Average price ($ per ounce)	1,303	1,269	1,257	1,251	1,160	1,266

On March 22, 2019, the London P.M. Fix was $1,311 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 2019 production estimates, currency and commodity assumptions, the approximate sensitivities of the Company's after tax income to a 10% change in certain metal prices from 2018 market average prices are as follows:

	Income per share
Gold	$0.79
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 LaRonde mine and Canadian Malartic mines in Quebec and its Meadowbank mine in Nunavut and any adverse condition affecting those operations may have a material adverse effect on the Company.

The Company's operations at the LaRonde and Canadian Malartic mines in Quebec accounted for approximately 21.1% and 21.4%, respectively, of the Company's gold production in 2018 and are expected to account for approximately 19.4% and 18.9%, respectively, of the Company's gold production in 2019. Also, in 2018 the LaRonde and Canadian Malartic mines accounted for approximately 28.0% and 24.1%, 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).

In addition, the Meadowbank mine in Nunavut accounted for 15.3% and 10.9% of the Company's gold production and operating margin, respectively, in 2018. The Company expects gold production at the Meadowbank mine to fall from 248,997 ounces in 2018 to approximately 65,000 ounces in 2019 when the Company expects current mining operations at the Meadowbank mine to cease. The Company has based its forecast gold production for 2019 and beyond on significant production from the Amaruq satellite deposit at Meadowbank (which will be processed at the Meadowbank mill) and production at Meliadine, however the development of both of these mine projects are subject to risks associated with new mining operations and operating mining operations in a remote location (see "– The Company may experience difficulties operating its Meadowbank mine and developing the Meliadine project and the Amaruq satellite deposit at Meadowbank as a result of their remote location" and "– 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").

Unless the Company acquires or develops other significant gold-producing assets, the Company will continue to be dependent on its operations at the 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 has historically been 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 satellite deposit at Meadowbank, located 50 kilometres northwest of the Meadowbank mine, is currently

forecast to achieve commercial production 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 a 64-kilometre all-weather road between Meadowbank and the Amaruq property. However, the Company's operations are constrained by the remoteness of the mine and the satellite operation, particularly as the port of Baker Lake is only accessible approximately ten weeks per year. Most of the materials that the Company requires for the operation of the Meadowbank 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 or is not as anticipated, 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, is currently forecast to achieve commercial production in the second quarter of 2019. The Meliadine mine project 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 satellite deposit at Meadowbank 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 satellite deposit at Meadowbank) and operations of the 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 or the failure of, or inadequate capacity of, the Company's tailings management facilities. In addition, production may be reduced if, among other things, during the course of mining or processing, unfavourable weather conditions, ground conditions, high geomechanical stress areas or seismic activity are encountered, ore grades are lower than expected, the physical or metallurgical characteristics of the ore are less amenable than expected to mining or treatment, dilution increases, electrical power is interrupted or heap leach processing results in containment discharge. The occurrence of one or more of these events could adversely affect the Company's financial performance and results of operations.

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

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

with the rock above the mining horizon, a fire in the Meadowbank mine kitchen complex that negatively 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 of 2013, during which the mine only operated for 14 days in the quarter, and a 16-day unplanned shutdown related to the LaRonde hoist drive in 2013; ten days of downtime resulting from a production hoist drive failure at LaRonde in 2014; lower than expected grades at Kittila and a decision during the year to extend the Vault pit at Meadowbank resulting in lower than expected production in 2015; an unscheduled shutdown of the secondary crushing circuit for maintenance at Meadowbank and unplanned maintenance on the leach tank, ball mill and crusher components in the process plant at Canadian Malartic in 2016; an unplanned temporary hoist and mill shutdown at Goldex in 2017; and an unscheduled five-day mill shutdown at LaRonde and lower than expected grades at Kittila in 2018.

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, Goldex, Canadian Malartic and Meadowbank mines, as well as the Company's development costs at the Meliadine mine project and the Amaruq satellite deposit at Meadowbank are incurred in Canadian dollars. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. From January 1, 2014 to December 31, 2018, the U.S. dollar/Canadian dollar exchange rate (as reported by the Bank of Canada) fluctuated from a high of C$0.94 per $1.00 to a low of C$0.69 per $1.00. Historical fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations. Based on the Company's anticipated 2019 after-tax operating results, a 10% change in the U.S. dollar/Canadian dollar exchange rate from the 2018 market average exchange rate would affect net income by approximately $0.25 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. The Company's ability to maintain current or achieve forecast gold production levels is dependent in part on the successful development of new mines and/or expansion of existing mining operations. Risks and uncertainties inherent in all new projects include the accuracy of mineral reserve estimates, metallurgical recoveries, geotechnical and other technical assumptions, capital and operating costs and future commodity prices. Unforeseen circumstances, including those related to the amount and nature of the mineralization at the development site, technological impediments to extraction and processing, legal requirements, governmental intervention, infrastructure limitations, environmental issues, local community relations or other events, could result in one or more of the Company's planned projects becoming impractical or uneconomic. Also, actual costs and economic returns may differ materially from the Company's estimates or the Company could fail or be delayed in obtaining the governmental permits and approvals necessary for execution of a project, in which case, the project may not proceed either on its original timing or at all.

Frequently, new mining operations experience unexpected problems during the start-up phase, and delays can often occur at the start of production. The Company may also experience actual capital and operating costs and operating results that differ materially from those anticipated in a feasibility study or other internal estimates. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates.

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 more than three kilometres below the surface. The Company's operations at the LaRonde mine rely on infrastructure installed in connection with the extension for hauling ore and materials to the surface, including a winze and a series of ramps linking mining deposits to the Penna Shaft that services historic operations at the LaRonde mine. The depth of the operations poses significant challenges to the Company, such as geomechanical and seismic risks and ventilation and air conditioning requirements, which may result in difficulties and delays in achieving gold production objectives. Operations at the lower level of the LaRonde mine are subject to high levels of geomechanical stress and there are few resources available to assist the Company in modelling the geomechanical conditions at these depths, which may result in the Company not being able to extract the ore at these levels as currently contemplated. In 2012, challenges associated with excess heat and congestion at the lower parts of the mine delayed the ramp up of production and, in 2013, throughput at the LaRonde mine was reduced as a result of 16 days of unplanned shut down to the hoist drive. In 2014, ten days of downtime resulting from a production hoist drive failure resulted in annual production at LaRonde being approximately 10,000 ounces below the Company's expectations. In 2017-2018, many of the delays at the LaRonde mine were related to seismic activity, with day to day operations delayed due to proactive non-entry protocols following a seismic event; typical delays lasted approximately 12 hours; with no single delay lasting more than 48 hours to regain access to the active mining front. 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, which will likely face similar or greater challanges of operating at depth.

The Meliadine project and the Amaruq satellite deposit at Meadowbank, which are expected to achieve commercial production in the second and third quarter of 2019, respectively, 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 further development of the Kittila and Pinos Altos mines, as well as the development of the new mining zones at the Goldex mine and the construction of the Canadian Malartic pit extension, requires the construction and operation of new mining infrastructure and, at Kittila, expanded milling operations and the construction of a shaft. The construction and operation of underground mining facilities and the expansion of milling facilities are subject to 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 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 Finland are affected by changes in the exchange rates between the U.S. dollar and the Canadian dollar, Mexican peso and the Euro, respectively. Total cash costs per ounce and all-in sustaining costs per ounce at all of the Company's mines are also affected by the costs of inputs used in mining operations, including labour (including contractors), energy, steel and chemical reagents. All of these factors are beyond the Company's control. If the Company's total cash costs per ounce or all-in sustaining costs per ounce of gold rise above the market price of gold and remain so for any sustained period, the Company may experience losses and may curtail or suspend some or all of its exploration, development and/or mining activities.

Total cash costs per ounce and all-in sustaining costs per ounce are not recognized measures under US GAAP or IFRS, and this data may not be comparable to data presented by other gold 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 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 Canada and Upper Beaver projects). 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 $1,300 long-term gold price to test for impairment of its mines and concluded that impairments existed as at December 31, 2018 at Canadian Malartic, La India and El Barqueno. Market price fluctuations of gold (or applicable by-product metal prices), as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral resources. Short-term factors relating to the mineral reserve, such as the need for orderly development of orebodies or the processing of new or different grades, may impair the profitability of a mine in any particular accounting period. See note 24 to the Annual Financial Statements for further information with respect to the impairments that existed as at December 31, 2018.

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

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; and for acquisitions which result in joint ownership, the risks associated with the conduct of joint operations (see "– The Company is subject to the risks normally associated with the conduct of joint operations."). Potential acquisition targets may operate in jurisdictions in which the Company does not operate and that may have a different risk profile than the jurisdictions in which the Company currently operates (see "– The Company may experience operational difficulties at its foreign operations"). In addition, the Company may need additional capital to finance an acquisition. Debt financing related to any acquisition may expose the Company to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. The Company is permitted under the terms of its unsecured revolving bank credit facility and its guaranteed senior unsecured notes referred to under "Material Contracts" below to incur additional unsecured indebtedness, provided that it maintains certain financial ratios and meets financial condition covenants and, in the case of the bank credit facility, that no event of default under the bank credit facility has occurred and is continuing, or would occur as a result of the incurrence or assumption of such indebtedness. There can be no assurance that the Company would be successful in overcoming these or any other problems encountered in connection with such acquisitions.

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

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

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

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

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

The Company may experience operational difficulties at its foreign operations.

The Company's operations include mines in Finland and in northern Mexico. Collectively, these mines accounted for approximately 31.4% of the Company's gold production in 2018 and are expected to account for approximately 26.6% of the Company's gold production in 2019. 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 the Dominican Republic, Colombia, Brazil 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 addition to the Partnership, in 2015, the Company entered into a joint venture with Barsele Minerals Corp. with respect to the Barsele project in Sweden. The Company may enter into additional joint ventures or partnerships in the future.

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

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

The Company conducts annual impairment assessments of goodwill and, at the end of each reporting period, the Company assesses whether there is any indication that long-lived assets (such as mining properties and plant and equipment) may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. Testing for impairment involves a comparison of the recoverable amount of the cash generating unit to its carrying value. An impairment charge is recognized for any excess of the carrying amount of the asset group or reporting unit over its recoverable amount. As at December 31, 2018, the Company tested for impairment of its mines and projects and concluded that impairments existed at Canadian Malartic, La India and El Barqueno. See note 24 to the Annual Financial Statements for further information with respect to the impairments that existed as at December 31, 2018.

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

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

The Company's unsecured revolving bank credit facility limits, among other things, the Company's and certain of its subsidiaries that are guarantors under the facility ability to permit the creation of certain liens, make investments other than investments in businesses related to mining or a business ancillary or complementary to mining, dispose of material assets or, in certain circumstances, pay dividends. In addition, the Company's guaranteed senior unsecured notes limit, among other things, the Company's and certain of its subsidiaries that are guarantors under the notes ability to permit the creation of certain liens, carry on business unrelated to mining or dispose of material assets. The bank credit facility and the guaranteed senior unsecured notes also require the Company to maintain specified financial ratios and meet financial condition covenants. Events beyond the Company's control, including changes in general economic and business conditions, 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, 2019, there was $NIL million drawn under the bank credit facility (including under letters of credit) and approximately C$370 million drawn under the Company's other letter of credit facilities. If an event of default under the unsecured revolving bank credit facility or the guaranteed senior unsecured notes occurs, the Company would be unable to draw down further on the bank credit facility and the lenders could elect to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due and this would cause an event of default under the Company's guaranteed senior unsecured notes and other letter of credit facilities. An event of default under the unsecured revolving bank credit facility, the guaranteed senior unsecured notes or the uncommitted letter of credit facilities may also give rise to an event of default under other existing and future debt agreements and, in such event, the Company may not have sufficient funds to repay amounts owing under such agreements.

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

The Company's financial performance is significantly affected by the costs and results of its exploration and development programs. As mines have limited lives based on proven and probable mineral reserves, the Company actively seeks to replace and expand its mineral reserves, primarily through exploration and development as well as through strategic acquisitions. Exploration for minerals is highly speculative in nature, involves many risks and is frequently unsuccessful. Among the many uncertainties inherent in any gold exploration and development program are the location of economic orebodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits, the acceptance or support of local stakeholders and the construction of mining and processing facilities. Substantial expenditures are required to pursue such exploration and development activities.

Assuming discovery of an economic orebody, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change. Accordingly, there can be no assurance that the Company's current or future exploration and development programs will result in any new economically viable mining operations or yield new mineral reserves to replace and expand current mineral reserves.

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

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

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

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

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

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

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

The capital required for operations (including potential expansions) and the construction at the Meliadine mine project and the development of the Amaruq satellite deposit at Meadowbank and the exploration and development of the Company's properties, including continuing exploration and development projects in Quebec, Nunavut, Finland, Sweden, Mexico and the United States, will require substantial expenditures. The Company expects that capital expenditures will be approximately $660 million in 2019. If cash from operations is lower than expected or capital costs at the Company's mines or projects exceed current estimates, the Company incurs major unanticipated expenses related to exploration, development or maintenance of its properties or for other purposes or advances from the bank credit facility are unavailable, the Company may be required to seek, or may deem it advantageous to seek, additional financing to maintain its capital expenditures at planned levels. In addition, the Company will have additional capital requirements to the extent that it decides to expand its present operations and exploration activities, construct additional mining and processing operations at any of its properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may arise.

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

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

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

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

The Company's mining and mineral processing operations, exploration activities and properties are subject to the laws and regulations of federal, provincial, territorial, state and local governments in the jurisdictions in which the Company operates. 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 Company or its contractual counterparties conducts its business. There has been a general increase in the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. The Company may be found liable for violations by not only its employees, but also by its third party agents. Measures that the Company has adopted to mitigate these risks are not always effective in ensuring that the Company, its employees or third party agents will comply strictly with such laws. If the Company is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company which could result in a material adverse effect on the Company's reputation, financial performance and results of operations. If the Company chooses to operate in additional foreign jurisdictions in the future it may become subject to additional anti-corruption and anti-bribery laws in such jurisdictions. See "The Company may experience operational difficulties at its foreign operations".

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

The Company operates in jurisdictions where regulatory requirements have taken effect, 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 and signed the Paris Agreement to limit the global average temperature rise below 2 degrees Celsius and pursue efforts to limit the increase to 1.5 degrees Celsius. A new federal carbon pricing regime will come into force in 2019, consisting of a carbon levy applicable to certain fuels, and an Output-Based Pricing System ("OBPS") that applies to industrial facilities, engaged in certain prescribed activities, that emit greenhouse gases above a prescribed threshold. The federal carbon pricing regime will be

applied to the Company's operations in jurisdictions where provincial or territorial regimes do not meet federal requirements, including Nunavut where the Company produces electricity using diesel fuel. The OBPS and the carbon ley are expected to become effective in Nunavut on July 2, 2019. The Company's Quebec mines will continue to be subjected to that province's cap and trade system. Similarly, Finland was a signatory to the Paris Agreement and sectors such as mining participate in the European Union's cap and trade system. Finland's Climate Change Act establishes a greenhouse gas reduction target of at least 80% by 2050, compared to 1990. Mexico is also a party to the Paris Agreement and has enacted climate change legislation with a greenhouse gas emission reduction target of 25% (unconditional) to 40% (conditional) from 2013 business as usual levels by 2030.

The Company monitors and reports annually its direct and indirect greenhouse gas emissions to the international Carbon Disclosure Project. 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 2018, the Company's total greenhouse gases emissions (direct and indirect) were approximately 409,324 tonnes equivalent CO2 (without accounting for the Canadian Malartic mine). In 2018, the Meadowbank mine produced approximately 188,078 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 the Amaruq satellite deposit at Meadowbank will also primarily use diesel power generation, unless other power sources can be developed. 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 106,099 tonnes of greenhouse gases in 2018) at 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.

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

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 relating to 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, 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's insurance may not provide adequate coverage in certain unforeseen circumstances or may not otherwise be adequate for its needs. The Company may also become subject to liability for, among other things, pollution, cave-ins or other hazards against which it cannot insure or against which it has elected not to insure because of high premium costs or other reasons, or the Company may become subject to liabilities which exceed policy limits. In these circumstances, the Company may incur significant costs that could have a material adverse effect on its financial performance and results of operations. Financial assurances may also be required with respect to closure and rehabilitation costs.

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

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

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

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

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

- changes in the market price of gold or other by-product metals the Company sells;
- events affecting economic circumstances in Canada, the United States and elsewhere;
- 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 actions of other companies in the mining industry;
- the operating and share price performance of other companies that investors may deem comparable; and
- purchases or sales of large blocks of the Company's common shares or securities convertible into or exchangeable for the Company's common shares.

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

The Company is dependent on information technology systems.

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

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

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

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

Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX") requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. Section 404 of SOX also requires an annual attestation report by the Company's independent auditors addressing the effectiveness of the Company's internal control over financial reporting. The Company has completed its Section 404 assessment and received the auditors' attestation as of December 31, 2018.

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 14, 2019, the Company declared a quarterly dividend of $0.125 per common share, which was paid on March 15, 2019. In 2018, the dividends paid were $0.44 per common share (quarterly payments of $0.11 per common share). In 2017, the dividends paid were $0.41 per common share (quarterly payments of $0.10 per common share in the first, second and third quarters and $0.11 per common share in the fourth quarter). In 2016, the dividends paid were $0.36 per common share (quarterly payments of $0.08 per common share in the first and second quarters and $0.10 per common share in the third and fourth quarters). 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, 2018 is BBB (low) with a positive outlook.

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

The Company understands that the rating is based on, among other things, information furnished to DBRS by the Company and information obtained by DBRS from publicly available sources. The credit rating given to the Company's Notes by DBRS is not a recommendation to buy, hold or sell debt instruments since such rating does not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. Credit ratings are intended to provide investors with: (i) an independent measure of the credit quality of an issue of securities; (ii) an indication of the likelihood of repayment for an issue of securities; and (iii) an indication of the capacity and willingness of the issuer to meet its financial obligations in accordance with the terms of those securities. The credit rating accorded to the Notes may not reflect the potential impact of all risks on the value of debt instruments, including risks related to market or other factors discussed in this AIF. If DBRS lowers the credit rating on the Notes, particularly a downgrade below investment grade, it could adversely affect the Company's cost of financing and access to liquidity and capital. See also "Risk Factors". The Company pays DBRS an annual fee in connection with the rating of the Notes and an additional fee if and when additional Notes are issued. 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, 2019, the closing price of the common shares was C$59.47 on the TSX and $44.29 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, 2018.

	TSX			NYSE		
	High (C$)	Low (C$)	Average Daily Volume	High ($)	Low ($)	Average Daily Volume
2018						
January	61.28	56.41	718,663	49.79	45.23	311,114
February	58.18	48.74	925,659	47.26	38.06	398,213
March	54.61	48.04	622,124	42.46	37.37	437,518
April	57.97	52.65	592,735	46.02	41.16	423,942
May	59.61	52.90	503,105	45.79	41.15	274,536
June	61.03	56.92	514,021	46.62	43.55	276,927
July	62.80	53.96	503,008	47.82	41.46	239,867
August	54.45	44.85	764,527	41.91	34.35	336,232
September	45.98	42.35	739,731	35.51	32.19	535,909
October	51.00	42.91	1,277,835	38.99	33.11	536,982
November	49.91	44.21	746,540	37.51	33.42	354,904
December	56.37	46.33	1,039,172	41.52	35.13	543,712
2019						
January	57.37	51.39	742,944	43.72	38.72	359,373
February	58.44	54.79	706,432	44.31	41.30	308,921
March (to March 22)	60.07	55.53	941,184	44.95	41.49	357,755

DIRECTORS AND OFFICERS OF THE COMPANY

Directors

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

Dr. Leanne M. Baker, of Labadie, Missouri, is an independent director of Agnico Eagle. From November 2011 until June 2013, Dr. Baker was the President and Chief Executive Officer of Sutter Gold Mining Inc. Previously, Dr. Baker was employed by Salomon Smith Barney where she was one of the top-ranked mining sector equity analysts in the United States. Dr. Baker is a graduate of the Colorado School of Mines (M.S. and Ph.D. in mineral economics). Dr. Baker has been a director of Agnico Eagle since January 1, 2003, and is also a director of 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, and is also a director of Rogers Communications Inc. (a communications and media company traded on the TSX and NYSE). *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 senior consultant of the Toronto accounting firm Lipton LLP, Chartered Accountants. He is a graduate of the University of Windsor (B.A.) and is a certified director of the Institute of Corporate Directors (ICD.D). He has been a director of Agnico Eagle since January 1, 2003 and is also a director and a chairman of the Audit Committee of Morguard North American Residential REIT. *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 Mineral Resource and Mineral Reserve Committee; 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 and was an independent businessman who founded and ran his own successful company. Mr. Nasso is a graduate of St. Francis Xavier University (B.Comm.) and is a certified director of the Institute of Corporate Directors (ICD.D). Mr. Nasso has been a director of Agnico Eagle since June 27, 1986.

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

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

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

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

Committees

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

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

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

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

Officers

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

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

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

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

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 has served on the board of directors of the Canada Mining Innovation Council since May 2014. Mr. Robitaille is a mining graduate of the College de l'Abitibi Témiscamingue with a specialty in mineral processing.

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

Yvon Sylvestre, of Mississauga, Ontario, is Senior Vice-President, Operations – Canada & Europe, a position he has held since February 2014. Prior to that, he was Senior Vice-President, Operations, Vice-President,

Construction, Mine General Manager at the Goldex division of Agnico Eagle and, previously, Mill Superintendent at the LaRonde division. Mr. Sylvestre is a Metallurgical Engineering Technology graduate from Cambrian College in Sudbury. Following graduation, he served as Metallurgist and Mill Superintendent at the Joutel division of Agnico Eagle and also held the position of Mill Superintendent at the Troilus division of Inmet Mining Corporation.

Shareholdings of Directors and Officers

As at March 22, 2019, the directors and officers of Agnico Eagle, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 699,627 common shares or approximately 0.3% of the 235,420,628 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 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 2018 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, 2018 and 2017. Fees paid to Ernst & Young LLP in 2018 and 2017 are set out below.

	Year Ended December 31,	
	2018	**2017**
	(C$ thousands)	
Audit fees	2,641	2,151
Audit-related fees[(1)]	82	39
Tax fees[(2)]	1,038	976
All other fees[(3)]	157	215
Total[(4)]	**3,918**	**3,381**

Notes:

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

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

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

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

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Canadian Malartic

Class Action

On August 2, 2016, the Partnership was served with a class action lawsuit, filed in the Superior Court of Quebec, with respect to allegations involving the Canadian Malartic mine. The complaint 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. The class action was certified in May 2017. In November 2017, a declaratory judgment was issued allowing the Partnership to settle individually with class members for 2017 under its Good Neighbor Guide (the "Guide"). In September 2018, the Superior Court of Quebec introduced an annual revision of the ending date of the class action period and a mechanism for the partial exclusion of class members, allowing residents to individually settle for a specific period (usually a calendar year) and to opt-out from the class action for such specific period. Both of these judgments were confirmed by the Quebec Court of Appeal and the class members will thus continue to have the option to benefit from the Guide. In January 2018, a judgment was rendered in favor of the Partnership, resulting in the removal from the class action of the pre-transaction period, spanning from August 2013 to June 16, 2014, during which the Canadian Malartic mine was not operated by the Partnership. The Company and the Partnership will take all necessary steps to defend themselves from 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 dismissed the injunction. An application for permanent injunction is currently pending. 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. These measures include a motion for the dismissal of the application for injunction, which has been filed and will be heard at a date that has yet to be determined. 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.

On June 1, 2017, the Partnership was served with an application for judicial review to obtain the annulment of a governmental decree. The Partnership is an impleaded party in the proceedings. The applicant seeks to obtain the annulment of a decree authorizing the expansion of the Canadian Malartic mine. The Company and the Partnership have reviewed the application for judicial review, consider the application without merit and will take all reasonable steps to defend against this application. The hearing on the merits occurred in October 2018, but no judgment has been rendered as of the date of this AIF. While the Company believes it is highly unlikely that the annulment will be granted, the Company expects that if the annulment were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in anticipated future production.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described in this AIF, since January 1, 2016, no director, officer or 10% shareholder of the Company or any associate or affiliate of any such person or shareholder, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

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

MATERIAL CONTRACTS

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

Credit Facility

On October 25, 2017, the Company amended and restated its credit facility with a group of financial institutions that provides a $1.2 billion unsecured revolving bank credit facility and then amended it on December 14, 2018 (as so amended, the "Credit Facility"). The Credit Facility matures and all indebtedness thereunder is due and payable on June 22, 2023. The Company, with the consent of lenders representing at least $66^2/_3$% of the aggregate commitments under the Credit Facility, may extend the term of the Credit Facility for additional one-year terms. The Credit Facility is available in multiple currencies through prime rate and base rate advances, priced at the applicable rate plus a margin that ranges from 0.20% to 1.75%, through LIBOR advances, bankers' acceptances and financial letters of credit, priced at the applicable rate plus a margin that ranges from 1.20% to 2.75% and through performance letters of credit, priced at the applicable rate plus a margin that ranges from 0.80% to 1.83%. The lenders under the Credit Facility are each paid a standby fee at a rate that ranges from 0.24% to 0.55% of the undrawn portion of the facility. In each case, the applicable margin or standby fee vary depending on the Company's credit rating and the Company's total net debt to EBTIDA ratio. The Credit Facility provides for an uncommitted accordion feature which permits the Company to request an increase in the principal amount of the facility by up to $300 million. No increase to the principal amount of the facility will occur pursuant to the accordion feature unless one or more lenders agree to increase their commitments or a new lender agrees to commitments under the Credit Facility. Payment and performance of the Company's obligations under the Credit Facility are guaranteed by each of its material subsidiaries and certain of its other subsidiaries (the "Guarantors" and, together with the Company, each an "Obligor").

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

- incur additional indebtedness;

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

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

As at March 22, 2019, there was approximately $NIL million in the aggregate outstanding 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 Canadian or U.S. dollars in a maximum aggregate amount outstanding at any time not exceeding C$350 million. The BNS Letter of Credit Facility may be used by the Company to support (a) reclamation obligations of the Company or its subsidiaries or (b) non-financial or performance obligations of the Company or its subsidiaries that are not directly related to reclamation obligations. If the Company fails to pay any amount of a reimbursement obligation under the BNS Letter of Credit Facility, including any interest thereon, on the date such amount is due, the overdue amount will bear interest at equal to 2% greater than the reference rate (as calculated under the BNS Letter of Credit Facility). Payment and performance of the Company's obligations under the BNS Letter of Credit Facility are guaranteed by the Guarantors.

Events of default under the BNS Letter of Credit Facility include, 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, 2019, there was approximately C$250 million in the aggregate of letters of credit outstanding under the BNS Letter of Credit Facility.

TD Letter of Credit Facility

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

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

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

As at March 22, 2019, there was approximately C$120 million in the aggregate of letters of credit outstanding under the TD Letter of Credit Facility.

Note Purchase Agreements

On April 7, 2010, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $115 million 6.13% Series A senior notes due 2017, $360 million 6.67% Series B senior notes due 2020 and $125 million 6.77% Series C senior notes due 2022 (the "2010 Note Purchase Agreement"). The Series A senior notes under the 2010 Note Purchase Agreement matured in 2017. On July 24, 2012, the Company entered into another note purchase agreement with certain institutional investors, providing for

the issuance of notes consisting of $100 million 4.87% Series A senior notes due 2022 and $100 million 5.02% Series B senior notes due 2024 (the "2012 Note Purchase Agreement").

On September 30, 2015, the Company entered into a note purchase agreement with Ressources Québec Inc., a subsidiary of Investissement Québec, providing for the issuance of $50 million principal amount of 4.15% senior unsecured notes due 2025 (the "2015 Note Purchase Agreement"). On June 30, 2016, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $100 million 4.54% Series A senior notes due 2023, $200 million 4.84% Series B senior notes due 2026 and $50 million 4.94% Series C senior notes due 2028 (the "2016 Note Purchase Agreement"). On May 5, 2017, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $40 million 4.42% Series A senior notes due 2025, $100 million 4.64% Series B senior notes due 2027, $150 million 4.74% Series C senior notes due 2029 and $10 million 4.89% Series D senior notes due 2032 (the "2017 Note Purchase Agreement"). On February 27, 2018, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $45 million 4.38% Series A senior notes due 2028, $55 million 4.48% Series B senior notes due 2030 and $250 million 4.63% Series C senior notes due 2033 (the "2018 Note Purchase Agreement", and together with the 2010 Note Purchase Agreement, the 2012 Note Purchase Agreement, the 2015 Note Purchase Agreement, the 2016 Note Purchase Agreement and the 2017 Note Purchase Agreement, the "Note Purchase Agreements").

Payment and performance of the Company's obligations under the Note Purchase Agreements, the notes issued pursuant thereto and the obligations of the Guarantors under the related guarantees are guaranteed by the Guarantors.

The Note Purchase Agreements contain restrictive covenants that limit, among other things, the ability of an Obligor to:

- enter into transactions with affiliates other than the Obligors, except on a commercially reasonable basis upon terms no less favourable to the Obligor than would be obtainable in a comparable arm's length transaction;
- amalgamate or otherwise transfer its assets;
- carry on business other than those related to mining or a business ancillary or complementary to mining;
- create liens on its existing or future assets, other than permitted liens;
- incur subsidiary indebtedness where the Obligor is a subsidiary of the Company; and
- make sales or other dispositions of material assets.

The Company is also required to maintain the same total net debt to EBITDA ratio under the Note Purchase Agreements as under the Credit Facility and, except with respect to the 2018 Note Purchase Agreement, to maintain a minimum tangible net worth. Events of default under the Note Purchase Agreements include, 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 the occurrence of certain events of default, the notes automatically become due and payable without any further action.

In addition, the Note Purchase Agreements contain a "Most Favored Lender" clause which acts to incorporate into the Note Purchase Agreements any grace periods upon an event of default that are shorter in the Credit Facility than in the Note Purchase Agreements. The 2018 Note Purchase Agreement's "Most Favored Lender" clause also

provides that if the terms of the Credit Facility or any debt securities issued by the Company in the future contain a tangible net worth covenant, the covenant will be deemed incorporated by reference into the 2018 Note Purchase Agreement.

INTERESTS OF EXPERTS

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

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

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on the System for Electronic Document Analysis and Retrieval at *www.sedar.com*, on the SEC's website at *www.sec.gov* and on the Company's website at *www.agnicoeagle.com*. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's management information circular dated March 12, 2019 relating to the annual and special meeting of shareholders of the Company scheduled for April 26, 2019. Additional financial information is provided in the Annual Financial Statements and Annual MD&A.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER OF THE COMPANY

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

I. PURPOSE OF THE AUDIT COMMITTEE

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

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

II. COMPOSITION

The Audit Committee shall be comprised of a minimum of three directors. No member of the Audit Committee shall be an officer or employee of the Corporation or any of its affiliates for the purposes of the applicable corporate statute. Each member of the Audit Committee shall be an unrelated and independent director as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities.

Each member of the Audit Committee shall be financially literate. Unless the Audit Committee shall otherwise determine, a member of the Audit Committee shall be considered to be financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

At least one member of the Audit Committee shall be a financial expert as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities.

The members of the Audit Committee shall be appointed by the Board of Directors annually at the first meeting of the Board of Directors after a meeting of the shareholders at which directors are elected and shall serve until: the next annual meeting of the shareholders; they resign; their successors are duly appointed; or such member is removed from the Audit Committee by the Board of Directors. The Board of Directors shall designate one member of the Audit Committee as the Chair or, if it fails to do so, the members of the Audit Committee shall appoint the Chair from among its members.

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

III. MEETINGS

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

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

Audit Committee or a designated member of the Audit Committee shall meet with the external auditors to review the Corporation's financial statements on a quarterly or other regular basis as the Audit Committee may deem appropriate.

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

IV. RESPONSIBILITIES AND DUTIES

The Audit Committee's primary responsibilities are to:

General

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

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

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

Documents/Reports Review

4. review the Corporation's financial statements and related management's discussion and analysis, Annual Information Form ("AIF") and related Form 40-F, Annual Report and any other significant annual reports of a financial nature or other significant financial information to be submitted to any governmental body or the public, including any certification, report, opinion or review rendered by the external auditors before they are approved by the Board of Directors and publicly disclosed;

5. review with the Corporation's management and the external auditors, the Corporation's quarterly financial statements and related management's discussion and analysis, before they are released;

6. ensure that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements other than the disclosure referred to in the two immediately preceding paragraphs and periodically assess the adequacy of such procedures;

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

8. review with the Corporation's management any press release of the Corporation which contains significant financial information (including any "pro forma" or "adjusted" non-GAAP information);

9. review and assess, on a quarterly basis, management's risk assessment and risk management strategies including hedging and derivative strategies;

External Auditors

10. recommend external auditors nominations to the Board of Directors to be put before the shareholders for appointment and, as necessary, the removal of any external auditor in office from time to time;

11. approve the fees and other compensation to be paid to the external auditors;

12. pre-approve all significant non-audit engagements to be provided to the Corporation with the external auditors;

13. require the external auditors to submit to the Audit Committee, on a regular basis (at least annually), a formal written statement delineating all relationships between the external auditors and the Corporation and

discuss with the external auditors any relationships that might affect the external auditors' objectivity and independence;

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

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

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

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

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

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

20. establish practices for the Corporation's hiring of employees or former employees of the external auditors;

Internal Auditor

21. receive regular quarterly reports from the Corporation's internal auditor on the scope and material results of its internal audit activities, based on the Internal Audit Charter;

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

23. establish procedures for:

    i) the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters;

    ii) the confidential, anonymous submission of concerns regarding questionable accounting, internal control and auditing matters; and

    iii) compliance with applicable foreign corrupt practices legislation, guidelines and practices;

Fraud Prevention and Detection

24. oversee and assess management's controls and processes to prevent and detect fraud;

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

Financial Reporting Process

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

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

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

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

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

31. review disclosures made by the CEO and CFO during their certification process for the annual and interim filings with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Corporation's internal controls;

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

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

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

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

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

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

Disclosure Controls and Procedures

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

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

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

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

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

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

Legal Compliance

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

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

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

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

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

Related Party Transactions

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

Reporting and Powers

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

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

V. LIMITATION OF RESPONSIBILITY

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

QuickLinks

Exhibit 99.1

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Exhibit 99.2

Annual Audited Consolidated Financial Statements

(Prepared in accordance with International Financial Reporting Standards)



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, 2018. 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, 2018, 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, 2018 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report that appears herein.

Toronto, Canada
March 26, 2019

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 Shareholders and the Board of Directors of Agnico Eagle Mines Limited:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Agnico Eagle Mines Limited (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of income (loss), comprehensive income (loss), equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its consolidated cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on Internal Control over Financial Reporting

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2018, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 26, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

Toronto, Canada
March 26, 2019

We have served as the Company's auditor since 1983

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control over Financial Reporting

We have audited Agnico Eagle Mines Limited's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, Agnico Eagle Mines Limited. (the "Company") maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, and the related consolidated statements of income (loss), comprehensive income (loss), equity and cash flows for the years then ended, and the related notes and our report dated March 26, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Annual Report. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Toronto, Canada
March 26, 2019

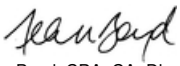
AGNICO EAGLE MINES LIMITED
CONSOLIDATED BALANCE SHEETS

(thousands of United States dollars, except share amounts)

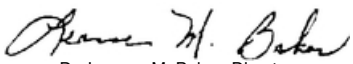
	As at December 31, 2018	As at December 31, 2017
		Restated (Note 3)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 301,826	$ 632,978
Short-term investments	6,080	10,919
Trade receivables (Notes 6 and 19)	10,055	12,000
Inventories (Note 7)	494,150	500,976
Income taxes recoverable (Note 25)	17,805	13,598
Equity securities (Notes 6 and 8)	76,532	122,775
Fair value of derivative financial instruments (Notes 6 and 21)	180	17,240
Other current assets (Note 9(A))	165,824	151,048
Total current assets	1,072,452	1,461,534
Non-current assets:		
Goodwill (Note 23)	407,792	696,809
Property, plant and mine development (Note 10)	6,234,302	5,626,552
Other assets (Note 9(B))	138,297	80,706
Total assets	$ 7,852,843	$ 7,865,601
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (Note 11)	$ 310,597	$ 290,722
Reclamation provision (Note 12)	5,411	10,038
Interest payable	16,531	12,894
Income taxes payable (Note 25)	18,671	16,755
Finance lease obligations (Note 13(A))	1,914	3,412
Fair value of derivative financial instruments (Notes 6 and 21)	8,325	–
Total current liabilities	361,449	333,821
Non-current liabilities:		
Long-term debt (Note 14)	1,721,308	1,371,851
Reclamation provision (Note 12)	380,747	345,268
Deferred income and mining tax liabilities (Note 25)	796,708	827,341
Other liabilities (Note 15)	42,619	40,329
Total liabilities	3,302,831	2,918,610
EQUITY		

Common shares (Note 16):		
Outstanding — 235,025,507 common shares issued, less 566,910 shares held in trust	5,362,169	5,288,432
Stock options (Notes 16 and 17)	197,597	186,754
Contributed surplus	37,254	37,254
Deficit	(988,913)	(598,889)
Other reserves (Note 18)	(58,095)	33,440
Total equity	4,550,012	4,946,991
Total liabilities and equity	$ 7,852,843	$ 7,865,601
Commitments and contingencies (Note 27)		

On behalf of the Board:



Sean Boyd, CPA, CA, Director



Dr. Leanne M. Baker, Director

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF INCOME (LOSS)

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

	Year Ended December 31,	
	2018	2017 Restated (Note 3)
REVENUES		
Revenues from mining operations (Note 19)	$ 2,191,221	$ 2,242,604
COSTS, EXPENSES AND OTHER INCOME		
Production[(i)]	1,160,355	1,057,842
Exploration and corporate development	137,670	141,450
Amortization of property, plant and mine development (Note 10)	553,933	508,739
General and administrative	124,873	115,064
Impairment loss on equity securities (Note 8)	–	8,532
Finance costs (Note 14)	96,567	78,931
Loss (gain) on derivative financial instruments (Note 21)	6,065	(17,898)
Environmental remediation (Note 12)	14,420	1,219
Impairment loss (Note 24)	389,693	–
Foreign currency translation loss	1,991	13,313
Other income (Note 22)	(35,294)	(3,877)
Income (loss) before income and mining taxes	(259,052)	339,289
Income and mining taxes expense (Note 25)	67,649	98,494
Net income (loss) for the year	$ (326,701)	$ 240,795
Net income (loss) per share — basic (Note 16)	$ (1.40)	$ 1.05
Net income (loss) per share — diluted (Note 16)	$ (1.40)	$ 1.04
Cash dividends declared per common share	$ 0.44	$ 0.41

Note:

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

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(thousands of United States dollars)

	Year Ended December 31,	
	2018	2017 Restated (Note 3)
Net income (loss) for the year	$ (326,701)	$ 240,795
Other comprehensive income (loss):		
Items that may be subsequently reclassified to net income:		
Equity securities (Note 8):		
Unrealized change in fair value of equity securities	–	(21,179)
Reclassification to impairment loss on equity securities	–	8,532
Reclassification to gain on sale of equity securities	–	(168)
Derivative financial instruments (Note 21):		
Unrealized change in fair value of cash flow hedges	(6,984)	10,763
Unrealized change in fair value of cost of hedging	(3,092)	3,092
Income tax impact of reclassification items (Note 25)	–	(1,117)
Income tax impact of other comprehensive income (loss) items (Note 25)	–	1,390
	(10,076)	1,313
Items that will not be subsequently reclassified to net income:		
Pension benefit obligations:		
Remeasurement gain (loss) of pension benefit obligations (Note 15)	841	(1,772)
Income tax impact (Note 25)	(38)	399
Equity securities (Note 8):		
Net change in fair value of equity securities at FVOCI	(39,585)	–
	(38,782)	(1,373)
Other comprehensive loss for the year	(48,858)	(60)
Comprehensive income (loss) for the year	$ (375,559)	$ 240,735

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF EQUITY

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

	Common Shares Outstanding						
	Shares	Amount	Stock Options	Contributed Surplus	Deficit	Other Reserves	Total Equity
Balance at December 31, 2016	224,965,140	$ 4,987,694	$ 179,852	$ 37,254	$ (744,453)	$ 32,127	$ 4,492,474
Net income (Restated – Note 3)	–	–	–	–	240,795	–	240,795
Other comprehensive income (loss) (Restated – Note 3)	–	–	–	–	(1,373)	1,313	(60)
Total comprehensive income (Restated – Note 3)	–	–	–	–	239,422	1,313	240,735
Transactions with owners:							
Shares issued under employee stock option plan (Notes 16 and 17(A))	1,538,729	56,802	(12,603)	–	–	–	44,199
Stock options (Notes 16 and 17(A))	–	–	19,505	–	–	–	19,505
Shares issued under incentive share purchase plan (Note 17(B))	382,663	17,379	–	–	–	–	17,379
Shares issued under dividend reinvestment plan	402,877	17,816	–	–	–	–	17,816
Equity issuance (net of transaction costs) (Note 16)	5,003,412	215,013	–	–	–	–	215,013
Dividends declared ($0.41 per share)	–	–	–	–	(93,858)	–	(93,858)
Restricted Share Unit plan, Performance Share Unit plan and Long Term Incentive Plan (Notes 16 and 17(C,D))	(42,380)	(6,272)	–	–	–	–	(6,272)
Restated Balance at December 31, 2017	232,250,441	$ 5,288,432	$ 186,754	$ 37,254	$ (598,889)	$ 33,440	$ 4,946,991
Impact of adopting IFRS 9 on January 1, 2018 (net of tax) (Note 3)	–	–	–	–	39,385	(39,385)	–
Adjusted balance at January 1, 2018	232,250,441	$ 5,288,432	$ 186,754	$ 37,254	$ (559,504)	$ (5,945)	$ 4,946,991
Net loss	–	–	–	–	(326,701)	–	(326,701)
Other comprehensive income (loss)	–	–	–	–	803	(49,661)	(48,858)
Total comprehensive loss	–	–	–	–	(325,898)	(49,661)	(375,559)
Transfer of loss on disposal of equity securities at FVOCI to deficit	–	–	–	–	(1,290)	1,290	–
Hedging gains and costs of hedging transferred to property, plant and mine development	–	–	–	–	–	(3,779)	(3,779)
Transactions with owners:							
Shares issued under employee stock option plan (Notes 16 and 17(A))	1,220,921	39,923	(8,961)	–	–	–	30,962

Stock options (Notes 16 and 17(A))	–	–	19,804	–	–	–	19,804
Shares issued under incentive share purchase plan (Note 17(B))	515,432	20,595	–	–	–	–	20,595
Shares issued under dividend reinvestment plan	495,819	18,286	–	–	–	–	18,286
Dividends declared ($0.44 per share)	–	–	–	–	(102,221)	–	(102,221)
Restricted Share Unit plan, Performance Share Unit plan and Long Term Incentive Plan (Notes 16 and 17(C,D))	(24,016)	(5,067)	–	–	–	–	(5,067)
Balance at December 31, 2018	234,458,597	$ 5,362,169	$ 197,597	$ 37,254	$ (988,913)	$ (58,095)	$ 4,550,012

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands of United States dollars)

	Year Ended December 31,	
	2018	2017 Restated (Note 3)
OPERATING ACTIVITIES		
Net (loss) income for the year	$ (326,701)	$ 240,795
Add (deduct) items not affecting cash:		
Amortization of property, plant and mine development (Note 10)	553,933	508,739
Deferred income and mining taxes (Note 25)	(30,961)	10,855
Stock-based compensation (Note 17)	50,658	43,674
Impairment loss on equity securities (Note 8)	–	8,532
Impairment loss (Note 24)	389,693	–
Foreign currency translation loss	1,991	13,313
Other	11,610	18,286
Adjustment for settlement of reclamation provision	(4,685)	(4,824)
Changes in non-cash working capital balances:		
Trade receivables	1,945	(3,815)
Income taxes	(2,291)	(31,913)
Inventories	(52,316)	(64,889)
Other current assets	(18,326)	(13,722)
Accounts payable and accrued liabilities	29,034	44,694
Interest payable	2,066	(2,168)
Cash provided by operating activities	605,650	767,557
INVESTING ACTIVITIES		
Additions to property, plant and mine development (Note 10)	(1,089,100)	(874,153)
Acquisition (Note 5)	(162,479)	(71,989)
Proceeds from sale of property, plant and mine development (Note 10)	35,246	–
Net sales (purchases) of short-term investments	4,839	(2,495)
Net proceeds from sale of equity securities (Note 8)	17,499	333
Purchases of equity securities and other investments (Note 8)	(11,163)	(51,724)
Decrease (increase) in restricted cash	790	(24)
Cash used in investing activities	(1,204,368)	(1,000,052)
FINANCING ACTIVITIES		

Dividends paid		(83,961)		(76,075)
Repayment of finance lease obligations (Note 13(A))		(3,382)		(5,252)
Proceeds from long-term debt (Note 14)		300,000		280,000
Repayment of long-term debt (Note 14)		(300,000)		(410,412)
Notes issuance (Note 14)		350,000		300,000
Long-term debt financing costs (Note 14)		(3,215)		(3,505)
Repurchase of common shares for stock-based compensation plans (Notes 16 and 17(C,D))		(30,062)		(24,684)
Proceeds on exercise of stock options (Note 17(A))		30,962		44,199
Common shares issued (Note 16)		13,757		224,896
Cash provided by financing activities		274,099		329,167
Effect of exchange rate changes on cash and cash equivalents		(6,533)		(3,668)
Net (decrease) increase in cash and cash equivalents during the year		(331,152)		93,004
Cash and cash equivalents, beginning of year		632,978		539,974
Cash and cash equivalents, end of year	$	301,826	$	632,978
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid	$	91,079	$	78,885
Income and mining taxes paid	$	106,568	$	127,915

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, 2018

1. CORPORATE INFORMATION

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

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company (the "Board") on March 26, 2019.

2. BASIS OF PRESENTATION

A) Statement of Compliance

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

B) Basis of Presentation

Overview

These consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are measured at fair value. Significant accounting policies are presented in Note 3 to these consolidated financial statements and have been consistently applied in each of the periods presented. The consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand, except where otherwise indicated.

Subsidiaries

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

Joint Arrangements

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

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the assets and obligations for the liabilities relating to the arrangement. These consolidated financial statements include the Company's interests in the assets, liabilities, revenues and expenses of the joint operations, from the date that joint control commenced. Agnico Eagle's 50% interest in each of Canadian Malartic Corporation ("CMC")

and Canadian Malartic GP ("the Partnership"), the general partnership that holds the Canadian Malartic mine located in Quebec, has been accounted for as a joint operation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Business Combinations

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

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

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

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

B) Foreign Currency Translation

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

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

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

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

C) *Cash and Cash Equivalents*

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

D) *Short-term Investments*

The Company's short-term investments include financial instruments with remaining maturities of greater than three months but less than one year at the date of purchase. Short-term investments are designated as financial assets measured at amortized cost, which approximates fair value given the short-term nature of these investments.

E) *Inventories*

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

The current portion of ore stockpiles, ore 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.

F) *Financial Instruments*

The Company has adopted IFRS 9 – *Financial Instruments* ("IFRS 9") effective January 1, 2018 on a retrospective basis where appropriate; however, in accordance with the transitional provisions of IFRS 9, comparative figures have not been restated except for the presentation of changes in the fair value of the time value component of options that the Company has designated as hedging items. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 but rather those of IAS 39 – *Financial Instruments: Recognition and Measurement.* Both accounting policies are discussed below.

Accounting Policy applicable under IFRS 9:

The Company's financial assets and liabilities (financial instruments) include cash and cash equivalents, short-term investments, restricted cash, trade receivables, equity securities, accounts payable and accrued liabilities, long-term debt and derivative financial instruments. All financial instruments are recorded at fair value at recognition. Subsequent to initial recognition, financial instruments classified as cash and cash equivalents, short-term investments, accounts payable and accrued liabilities, and long-term debt are measured at amortized

cost using the effective interest method. Other financial assets and liabilities are recorded at fair value subsequent to initial recognition.

Equity Securities

The Company's equity securities consist primarily of investments in common shares of entities in the mining industry recorded using trade date accounting. On initial recognition of an equity investment, the Company may irrevocably elect to measure the investment at fair value through other comprehensive income ("FVOCI") where changes in the fair value of equity securities are permanently recognized in other comprehensive income and will not be reclassified to profit or loss. The election is made on an investment-by-investment basis.

Derivative Instruments and Hedge Accounting

The Company uses derivative financial instruments (primarily option and forward contracts) to manage exposure to fluctuations in by-product metal prices, interest rates, and foreign currency exchange rates and may use such means to manage exposure to certain input costs.

The Company recognizes all derivative financial instruments in the consolidated financial statements at fair value and are classified based on contractual maturity. Derivative instruments are classified as either hedges of highly probable forecasted transactions (cash flow hedges) or non-hedge derivatives. Derivatives designated as a cash flow hedge that are expected to be highly effective in achieving offsetting changes in cash flows are assessed on an ongoing basis to determine that they have actually been highly effective throughout the financial reporting periods for which they were designated. Derivative assets and derivative liabilities are shown separately in the balance sheet unless there is a legal right to offset and intent to settle on a net basis.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss). Amounts deferred in other comprehensive income are reclassified when the hedged transaction has occurred.

Derivative instruments that do not qualify for hedge accounting are recorded at fair value at the balance sheet date, with changes in fair value recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss).

Accounting Policy applicable under IAS 39:

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 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 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 and comprehensive 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.

G) Goodwill

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

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, the Company assesses for indicators of impairment at each reporting period end and, if an indicator of impairment is identified, goodwill is tested for impairment at that time. If the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount, an impairment loss is recognized. Goodwill impairment losses are 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.

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

Mining Properties

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

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

attributable to the project, supplies and materials used in the project, and incremental overhead costs that can be directly attributable to the project.

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

Plant and Equipment

Expenditures for new facilities and improvements that can extend the useful lives of existing facilities are capitalized as plant and equipment at cost. The cost of an item of plant and equipment includes: its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and the estimate of the costs of dismantling and removing the item and restoring the site on which it is located other than costs that arise as a consequence of having used the item to produce inventories during the period.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of income (loss) when the asset is derecognized.

Amortization of an asset begins when the asset is in the location and condition necessary for it to operate in the manner intended by management. Amortization ceases at the earlier of the date the asset is classified as held for sale or the date the asset is derecognized. Assets under construction are not amortized until the end of the construction period or once commercial production is achieved. Amortization is charged according to either the units-of-production method or on a straight line basis, according to the pattern in which the asset's future economic benefits are expected to be consumed. The amortization method applied to an asset is reviewed at least annually.

Useful lives of property, plant and equipment are based on the lesser of the estimated mine lives as determined by proven and probable mineral reserves and the mineral resources included in the current life of mine plan and the estimated useful life of the asset. Remaining mine lives at December 31, 2018 range from an estimated 2 to 17 years.

The following table sets out the useful lives of certain assets:

	Useful Life
Building	5 to 30 years
Leasehold Improvements	15 years
Software and IT Equipment	1 to 10 years
Furniture and Office Equipment	3 to 5 years
Machinery and Equipment	1 to 30 years

Mine Development Costs

Mine development costs incurred after the commencement of commercial production are capitalized when they are expected to have a future economic benefit. Activities that are typically capitalized include costs incurred to build shafts, drifts, ramps and access corridors which enables the Company to extract ore underground.

The Company records amortization on underground mine development costs on a units-of-production basis based on the estimated tonnage of proven and probable mineral reserves and the mineral resources included in the current life of mine plan of the identified component of the ore body. The units-of-production method defines the denominator as the total tonnage of proven and probable mineral reserves and the mineral resources included in the current life of mine plan.

Deferred Stripping

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping.

During the development stage of the mine, stripping costs are capitalized as part of the cost of building, developing and constructing the mine and are amortized once the mine has entered the production stage.

During the production stage of a mine, stripping costs are recorded as a part of the cost of inventories unless these costs are expected to provide a future economic benefit and, in such cases, are capitalized to property, plant and mine development.

Production stage stripping costs provide a future economic benefit when:

- it is probable that the future economic benefit (e.g., improved access to the ore body) associated with the stripping activity will flow to the Company;
- the Company can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

Capitalized production stage stripping costs are amortized over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Borrowing Costs

Borrowing costs are capitalized to qualifying assets. Qualifying assets are assets that take a substantial period of time to prepare for the Company's intended use, which includes projects that are in the exploration and evaluation, development or construction stages.

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance costs in the period in which they are incurred. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the relevant borrowings during the period.

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 statements of income (loss) as a finance cost. An asset leased under a finance lease is amortized over the shorter of the lease term and its useful life.

All other leases are recognized as operating leases. Operating lease payments are recognized as an operating expense in the consolidated statements of income (loss) on a straight-line basis over the lease term.

I) Development Stage Expenditures

Development stage expenditures are costs incurred to obtain access to proven and probable mineral reserves or mineral resources and provide facilities for extracting, treating, gathering, transporting and storing the minerals. The development stage of a mine commences when the technical feasibility and commercial viability of extracting the mineral resource has been determined. Costs that are directly attributable to mine development are capitalized as property, plant and mine development to the extent that they are necessary to bring the property to commercial production.

Abnormal costs are expensed as incurred. Indirect costs are included only if they can be directly attributed to the area of interest. General and administrative costs are capitalized as part of the development expenditures when the costs are directly attributed to a specific mining development project.

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.

J) 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 other than goodwill is reversed if there are subsequent changes in the estimates or significant assumptions that were used to recognize the impairment loss that result in

an increase in the recoverable amount of the CGU. If an indicator of impairment reversal has been identified, 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 statements of income (loss) in the period in which they occur.

K) Debt

Debt is initially recorded at fair value, net of financing costs incurred. Debt is subsequently measured at amortized cost. Any difference between the amounts received and the redemption value of the debt is recognized in the consolidated statements of income (loss) over the period to maturity using the effective interest rate method.

L) Reclamation Provisions

Asset retirement obligations ("AROs") arise from the acquisition, development and construction of mining properties and plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to tailings and heap leach pad closure and rehabilitation, demolition of buildings and mine facilities, ongoing water treatment and ongoing care and maintenance of closed mines. The Company recognizes an ARO at the time the environmental disturbance occurs or a constructive obligation is determined to exist based on the Company's best estimate of the timing and amount of expected cash flows expected to be incurred. When the ARO provision is recognized, the corresponding cost is capitalized to the related item of property, plant and mine development. Reclamation provisions that result from disturbance in the land to extract ore in the current period is included in the cost of inventories.

The timing of the actual environmental remediation expenditures is dependent on a number of factors such as the life and nature of the asset, the operating licence conditions and the environment in which the mine operates. Reclamation provisions are measured at the expected value of future cash flows discounted to their present value using a risk-free interest rate. AROs are adjusted each period to reflect the passage of time (accretion). Accretion expense is recorded in finance costs each period. Upon settlement of an ARO, the Company records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains or losses are recorded in the consolidated statements of income (loss).

Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are the construction of new processing facilities, changes in the quantities of material in mineral reserves and mineral resources and a corresponding change in the life of mine plan, changing ore characteristics that impact required environmental protection measures and related costs, changes in water quality that impact the extent of water treatment required and changes in laws and regulations governing the protection of the environment.

Each reporting period, provisions for AROs are remeasured to reflect any changes to significant assumptions, including the amount and timing of expected cash flows and risk-free interest rates. Changes to the reclamation provision resulting from changes in estimate are added to or deducted from the cost of the related asset, except where the reduction of the reclamation provision exceeds the carrying value of the related assets in which case the asset is reduced to nil and the remaining adjustment is recognized in the consolidated statements of income (loss).

Environmental remediation liabilities ("ERLs") are differentiated from AROs in that ERLs do not arise from environmental contamination in the normal operation of a long-lived asset or from a legal or constructive obligation to treat environmental contamination resulting from the acquisition, construction or development of a long-lived

asset. The Company is required to recognize a liability for obligations associated with ERLs arising from past acts. ERLs are measured by discounting the expected related cash flows using a risk-free interest rate. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. Each reporting period, the Company assesses cost estimates and other assumptions used in the valuation of ERLs to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the value of the ERL. Any change in the value of ERLs results in a corresponding charge or credit to the consolidated statements of income (loss). Upon settlement of an ERL, the Company records a gain or loss if the actual cost differs from the carrying amount of the ERL in the consolidated statements of income (loss).

M) Post-employment Benefits

In Canada, the Company maintains a defined contribution plan covering all of its employees (the "Basic Plan"). The Basic Plan is funded by Company contributions based on a percentage of income for services rendered by employees. In addition, the Company has a supplemental plan for designated executives at the level of Vice-President or above (the "Supplemental Plan"). Under the Supplemental Plan, an additional 10.0% of the designated executives' income is contributed by the Company.

The Company provides a defined benefit retirement program (the "Retirement Program") for certain eligible employees that provides a lump-sum payment upon retirement. The payment is based on age and length of service at retirement. An eligible employee is entitled to a benefit if they have completed more than 10 years as a permanent employee and have attained a minimum age of 57. The Retirement Program is not funded.

The Company also provides a non-registered supplementary executive retirement defined benefit plan for certain current and former senior officers (the "Executives Plan"). The Executives Plan benefits are generally based on the employee's years of service and level of compensation. Pension expense related to the Executives Plan is the net of the cost of benefits provided (including the cost of any benefits provided for past service), the net interest cost on the net defined liability/asset, and the effects of settlements and curtailments related to special events. Pension fund assets are measured at their current fair values. The costs of pension plan improvements are recognized immediately in expense when they occur. Remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income and are subsequently transferred to retained earnings.

Defined Contribution Plan

The Company recognizes the contributions payable to a defined contribution plan in exchange for services rendered by employees as an expense, unless another policy requires or permits the inclusion of the contribution in the cost of an asset. After deducting contributions already paid, a liability is recorded throughout each period to reflect unpaid but earned contributions. If the contribution paid exceeds the contribution due for the service before the end of the reporting period, the Company recognizes that excess as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Defined Benefit Plan

Plan assets are measured at their fair value at the consolidated balance sheet date and are deducted from the present value of plan liabilities to arrive at a net defined benefit liability/asset. The defined benefit obligation reflects the expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Current service cost represents the actuarially calculated present value of the benefits earned by the active employees in each period and reflects the economic cost for each period based on current market conditions. The current service cost is based on the most recent actuarial valuation. The net interest on the net defined benefit

liability/asset is the change during the period in the defined benefit liability/asset that arises from the passage of time.

Past service cost represents the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service costs from plan amendments that increase or decrease vested or unvested benefits are recognized immediately in net income at the earlier of when the related plan amendment occurs or when the entity recognizes related restructuring costs or termination benefits.

Gains or losses on plan settlements are measured as the difference in the present value of the defined benefit obligation and settlement price. This results in a gain or loss being recognized when the benefit obligation settles. Actuarial gains and losses are recorded on the consolidated balance sheets as part of the benefit plan's funded status. Gains and losses are recognized immediately in other comprehensive income and are subsequently transferred to retained earnings and are not subsequently recognized in net income.

N) Contingent Liabilities and Other Provisions

Provisions are recognized when a present obligation exists (legal or constructive), as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the consolidated balance sheet date, measured using the expected cash flows discounted for the time value of money. The increase in provision (accretion) due to the passage of time is recognized as a finance cost in the consolidated statements of income (loss).

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control, or present obligations that are not recognized because it is not probable that an outflow of economic benefits would be required to settle the obligation or the amount cannot be measured reliably. Contingent liabilities are not recognized but are disclosed and described in the notes to the consolidated financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company, with assistance from its legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

O) Stock-based Compensation

The Company offers equity-settled awards (the employee stock option plan, incentive share purchase plan, restricted share unit plan and performance share unit plan) to certain employees, officers and directors of the Company.

Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the granting of options to directors, officers, employees and service providers to purchase common shares. Options have exercise prices equal to the market price on the day prior to the date of grant. The fair value of these options is recognized in the consolidated statements of income (loss) or in the consolidated balance sheets if capitalized as part of property, plant and mine development over the applicable vesting period as a compensation cost. Any consideration paid by employees on exercise of options or purchase of common shares is credited to share capital.

Fair value is determined using the Black-Scholes option valuation model, which requires the Company to estimate the expected volatility of the Company's share price and the expected life of the stock options. Limitations with

existing option valuation models and the inherent difficulties associated with estimating these variables create difficulties in determining a reliable single measure of the fair value of stock option grants. The cost is recorded over the vesting period of the award to the same expense category of the award recipient's payroll costs and the corresponding entry is recorded in equity. Equity-settled awards are not remeasured subsequent to the initial grant date. The dilutive impact of stock option grants is factored into the Company's reported diluted net income 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.

P) Revenue from Contracts with Customers

The Company has adopted IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15") effective January 1, 2018 on a modified retrospective basis in accordance with the transitional provisions of IFRS 15. Results for reporting periods beginning after January 1, 2018 are presented under IFRS 15, while prior reporting period amounts have not been restated and continue to be reported under IAS 18 – *Revenue* ("IAS 18"). Both accounting policies are disclosed below.

Gold and Silver

The Company sells gold and silver to customers in the form of bullion and dore bars.

The Company recognizes revenue from these sales when control of the gold or silver has transferred to the customer. This is generally at the point in time when the gold or silver is credited to the metal account of the customer. Once the gold or silver has been credited to the customer's metal account, the customer has legal title to,

physical possession of, and the risks and rewards of ownership of the gold or silver; therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the gold or silver.

Under certain contracts with customers the transfer of control may occur when the gold or silver is in transit from the mine to the refinery. At this point in time, the customer has legal title to and the risk and rewards of ownership of the gold or silver; therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the gold or silver.

Revenue is measured at the transaction price agreed under the contract. Payment of the transaction price is due immediately when control of the gold or silver is transferred to the customer.

Generally, all of the gold and silver in the form of dore bars recovered in the Company's milling process is sold in the period in which it is produced.

Metal Concentrates

The Company sells concentrate from certain of its mines to third-party smelter customers. These concentrates predominantly contain zinc and copper, along with quantities of gold and silver.

The Company recognizes revenue from these concentrate sales when control of the concentrate has transferred to the customer, which is the point in time that the concentrate is delivered to the customer. Upon delivery, the customer has legal title to, physical possession of, and the risks and rewards of ownership of the concentrate. The customer is also committed to accept and pay for the concentrates once delivered; therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the concentrate.

The final prices for metals contained in the concentrate are generally determined based on the prevailing spot market metal prices on a specific future date, which is established as of the date the concentrate is delivered to the customer. Upon transfer of control at delivery, the Company measures revenue under these contracts based on forward prices at the time of delivery and the most recent determination of the quantity of contained metals less smelting and refining charges charged by the customer. This reflects the best estimate of the transaction price expected to be received at final settlement. A receivable is recognized for this amount and subsequently measured at fair value to reflect variability associated with the embedded derivative for changes in the market metal prices. These changes in the fair value of the receivable are adjusted through revenue from other sources at each subsequent financial statement date.

Under certain contracts with customers, the sale of gold contained in copper concentrate occurs once the metal has been processed into refined gold and is sold separately similar to the gold and silver dore bar terms described above. The transaction price for the sale of gold contained in concentrate is determined based on the spot market price upon delivery and provisional pricing does not apply.

Accounting Policy applicable before January 1, 2018:

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 and gold contained in copper concentrate 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 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.

Q) 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.

R) Net Income Per Share

Basic net income per share is calculated by dividing net income for a given period by the weighted average number of common shares outstanding during that same period. Diluted net income per share reflects the potential dilution that could occur if holders with rights to convert instruments to common shares exercise these rights. The weighted average number of common shares used to determine diluted net income per share includes an adjustment, using the treasury stock method, for stock options outstanding. Under the treasury stock method:

- the exercise of options is assumed to occur at the beginning of the period (or date of issuance, if later);
- the proceeds from the exercise of options plus the future period compensation expense on options granted are assumed to be used to purchase common shares at the average market price during the period; and
- the incremental number of common shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) is included in the denominator of the diluted net income per share calculation.

S) Income Taxes

Current and deferred tax expenses are recognized in the consolidated statements of income (loss) except to the extent that they relate to a business combination, or to items recognized directly in equity or in other comprehensive income.

Current tax expense is based on substantively enacted statutory tax rates and laws at the consolidated balance sheet date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax basis of such assets and liabilities measured using tax rates and laws that are substantively enacted at the consolidated balance sheet date and effective for the reporting period when the temporary differences are expected to reverse.

Deferred taxes are not recognized in the following circumstances:

- where a deferred tax liability arises from the initial recognition of goodwill;
- where a deferred tax asset or liability arises on the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither net income nor taxable profits; and
- for temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses and tax credits carried forward and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized except as noted above.

At each reporting period, previously unrecognized deferred tax assets are reassessed to determine whether it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Recently Adopted Accounting Pronouncements

IFRS 15 – Revenue from Contracts with Customers

The Company has adopted IFRS 15 effective January 1, 2018 on a modified retrospective basis in accordance with the transitional provisions of IFRS 15. Results for reporting periods beginning after January 1, 2018 are presented under IFRS 15, while prior reporting period amounts have not been restated and continue to be reported under IAS 18 (accounting standard in effect for those periods).

The Company has concluded that there are no significant differences between the point of transfer of risks and rewards for its metals under IAS 18 and the point of transfer of control under IFRS 15. No adjustment has been recorded to the opening balance sheet at January 1, 2018.

IFRS 9 – Financial Instruments

The Company has adopted IFRS 9 effective January 1, 2018 on a retrospective basis where appropriate; however in accordance with the transitional provisions of IFRS 9, comparative figures have not been restated except for the presentation of changes in the fair value of the time value component of options that the Company has designated as hedging items. IFRS 9 provides a revised model for recognition, measurement and impairment of financial instruments and includes a substantially reformed approach to hedge accounting.

As detailed below, the Company has changed its accounting policy for financial instruments retrospectively, except where described below. The main areas of change and corresponding transitional adjustments applied on January 1, 2018 are as follows:

i. *Impact of adoption on the accounting for equity securities previously designated as available-for-sale*

Upon adoption, investments in publicly traded equity securities held by the Company have been classified as fair value through other comprehensive income pursuant to the irrevocable election available under IFRS 9. These investments are recorded at fair value and changes in the fair value of these investments are recognized permanently in other comprehensive income. Upon adoption, an adjustment was recorded to reclassify the accumulated impairment losses on these investments. The adjustment to reduce the opening deficit on January 1, 2018 was $44.1 million ($39.4 million net of tax) with a corresponding adjustment to other reserves. There was no impact on net loss for 2018.

ii. *Impact of adoption on the accounting for derivative financial instruments*

Upon adoption, the Company reassessed all of its existing hedge relationships that qualified for hedge accounting under *IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"*) and determined that these continued to qualify for hedge accounting under IFRS 9.

Under IFRS 9, the Company changed the presentation of the time value component of changes in the fair value of an option that is a hedging item. This time value component has been recorded in other comprehensive income, rather than in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss). Generally the hedge accounting requirements of IFRS 9 are adopted on a prospective basis; however the adjustment for the time value component requires retrospective application including restatement of comparative period presentation.

For the year ended December 31, 2017, the Company has reclassified the portion of the loss (gain) on derivative financial instruments that was due to the change in the time value component of hedging items to the unrealized change in fair value of cost of hedging recorded in other comprehensive loss. This resulted in a decrease in net income of $3.1 million and a corresponding decrease in other comprehensive loss for the year ended December 31, 2017.

Financial Assets

IFRS 9 includes a revised model for classifying financial assets, which results in classification according to a financial instrument's contractual cash flow characteristics and the business models under which they are held. At initial recognition, financial assets are measured at fair value. Under the IFRS 9 model for classification of financial assets the Company has classified and measured its financial assets as described below:

- Cash and cash equivalents, restricted cash, and short-term investments are classified as financial assets measured at amortized cost. Previously under IAS 39 these amounts were classified as held to maturity.

- Trade receivables are classified as financial assets at fair value through profit or loss and measured at fair value during the quotational period until the final settlement price is determined. Once the final settlement price is determined, trade receivables are classified as financial assets measured at amortized cost. Previously under IAS 39, trade receivables were classified as loans and receivables measured at amortized cost except for the provisional pricing embedded derivative that was measured at fair value through profit or loss.

Except as noted above, the adoption of IFRS 9 did not result in a change in the carrying values of any of the Company's financial assets on the transition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Liabilities

Financial liabilities are recognized initially at fair value and in the case of financial liabilities not subsequently measured at fair value, net of directly attributable transaction costs. Financial liabilities are derecognized when the obligation specified in the contract is discharged, canceled, or expired. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements and since the Company does not have any financial liabilities designated at fair value through profit or loss, the adoption of IFRS 9 did not impact the Company's accounting policies for financial liabilities. Accounts payable and accrued liabilities, interest payable and long-term debt are classified as financial liabilities to be subsequently measured at amortized cost.

Expected Credit Loss Impairment Model

IFRS 9 introduces a single expected credit loss impairment model, which is based on changes in credit quality since initial recognition. The adoption of the expected credit loss impairment model did not have a significant impact on the Company's financial statements, and did not result in a transitional adjustment.

Recently Issued Accounting Pronouncements

IFRS 16 – Leases

In January 2016, IFRS 16 – *Leases* was issued, which requires lessees to recognize assets and liabilities for most leases, as well as corresponding amortization and finance expense. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted. The Company will adopt the new standard beginning January 1, 2019 using the modified retrospective approach. Under the modified retrospective approach the Company recognizes transition adjustments, if any, in retained earnings on the date of initial application, without restating the financial statements on a retrospective basis.

The Company has assessed the estimated impact of the initial application of IFRS 16 on the consolidated financial statements. The new standard will result in an increase in assets and liabilities, a corresponding increase in amortization and finance expense and a decrease in production costs and general and administrative expenses. Cash flow from operating activities will increase under the new standard because lease payments for most leases will be recorded as cash outflows from financing activities in the statements of cash flows. The Company will elect not to bring short-term leases or low value leases on the balance sheet and costs for these items will continue to be expensed in the consolidated statement of income (loss). Based on the information currently available, the Company estimates that it will recognize additional lease liabilities and right of use assets of between $75.0 to $95.0 million as at January 1, 2019.

IFRIC 23 – Uncertainty Over Income Tax Treatments

In June 2017, the IASB issued IFRIC Interpretation 23 – *Uncertainty over Income Tax Treatments* ("IFRIC 23"). IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12 – *Income Taxes* when there is uncertainty over income tax treatments. More specifically, it will provide guidance in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when uncertainty exists. IFRIC 23 is applicable for annual reporting periods beginning on or after January 1, 2019. The Company has determined that there will be no impact on the Company's current and deferred income tax balances as a result of the adoption of IFRIC 23.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates used in the preparation of the consolidated financial

statements are reasonable; however, actual results may differ materially from these estimates. The key areas where significant judgments, estimates and assumptions have been made are summarized below.

Impairment and Impairment Reversals

The Company evaluates each asset or CGU (excluding goodwill, which is assessed for impairment annually regardless of indicators and is not eligible for impairment reversals) in each reporting period to determine if any indicators of impairment or impairment reversal exist. When completing an impairment test, the Company calculates the estimated recoverable amount of CGUs, which requires management to make estimates and assumptions with respect to items such as future production levels, operating and capital costs, long-term commodity prices, foreign exchange rates, discount rates, amounts of recoverable reserves, mineral resources and exploration potential and closure and environmental remediation costs. These estimates and assumptions are subject to risk and uncertainty. Judgement is also required in determining the appropriate valuation method for mineralization and ascribing anticipated economics to mineralization in cases where no comprehensive economic study has been completed. Therefore, there is a possibility that changes in circumstances will have an impact on these projections, which may impact the recoverable amount of assets or CGUs. Accordingly, it is possible that some or the entire carrying amount of the assets or CGUs may be further impaired or the impairment charge reversed with the impact recognized in the consolidated statements of income (loss).

Mineral Reserve and Mineral Resource Estimates

Mineral reserves and mineral resources are estimates of the amount of ore that can be extracted from the Company's mining properties. The estimates are based on information compiled by "qualified persons" as defined under the Canadian Securities Administrators' National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Such an analysis relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates requires complex geological judgments to interpret the data. The estimation of mineral reserves and mineral resources is based upon factors such as estimates of commodity prices, future capital requirements and production costs, geological and metallurgical assumptions and judgments made in estimating the size and grade of the ore body and foreign exchange rates.

As the economic assumptions used may change and as additional geological information is acquired during the operation of a mine, estimates of proven and probable mineral reserves may change. Such changes may affect the Company's consolidated balance sheets and consolidated statements of income (loss), including:

- the carrying value of the Company's property, plant and mine development and goodwill may be affected due to changes in estimated future cash flows;
- amortization charges in the consolidated statements of income (loss) may change where such charges are determined using the units-of-production method or where the useful life of the related assets change;
- capitalized stripping costs recognized in the consolidated balance sheets as either part of mining properties or as part of inventories or charged to income may change due to changes in the ratio of ore to waste extracted;
- reclamation provisions may change where changes to the mineral reserve and mineral resource estimates affect expectations about when such activities will occur and the associated cost of these activities; and
- mineral reserve and mineral resource estimates are used to calculate the estimated recoverable amounts of CGUs for impairment tests of goodwill and non-current assets.

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment to determine whether future economic benefits are likely to arise and whether activities have reached a stage where the technical feasibility and commercial viability of extracting the mineral resource is demonstrable.

Production Stage of a Mine

As each mine is unique, significant judgment is required to determine the date that a mine enters the commercial production stage. The Company considers the factors outlined in Note 3(I) to these consolidated financial statements to make this determination.

Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

Reclamation Provisions

Environmental remediation costs will be incurred by the Company at the end of the operating life of the Company's mining properties. Management assesses its reclamation provision each reporting period and when new information becomes available. The ultimate environmental remediation costs are uncertain and cost estimates can vary in response to many factors, including estimates of the extent and costs of reclamation activities, technological changes, regulatory changes, cost increases as compared to the inflation rate and changes in discount rates. These uncertainties may result in future actual expenditures differing from the amount of the current provision. As a result, there could be significant adjustments to the provisions established that would affect future financial results. The reclamation provision at each reporting date represents management's best estimate of the present value of the future environmental remediation costs required.

Income and Mining Taxes

Management is required to make estimates regarding the tax basis of assets and liabilities and related deferred income and mining tax assets and liabilities, amounts recorded for uncertain tax positions, the measurement of income and mining tax expense and estimates of the timing of repatriation of income. Several of these estimates require management to make assessments of future taxable profit and, if actual results are significantly different than the Company's estimates, the ability to realize the deferred income and mining tax assets recorded on the consolidated balance sheets could be affected.

Amortization

Property, plant and mine development comprise a large portion of the Company's total assets and as such the amortization of these assets has a significant effect on the Company's consolidated financial statements. Amortization is charged according to the pattern in which an asset's future economic benefits are expected to be consumed. The determination of this pattern of future economic benefits requires management to make estimates and assumptions about useful lives and residual values at the end of the asset's useful life. Actual useful lives and residual values may differ significantly from current assumptions.

Development Stage Expenditures

The application of the Company's accounting policy for development stage expenditures requires judgment to determine when the technical feasibility and commercial viability of extracting a mineral resource has been determined.

Some of the factors that the Company may consider in its assessment of technical feasibility and commercial viability are set out below:

- the level of geological certainty of the mineral deposit;
- life of mine plans or economic models to support the economic extraction of reserves and mineral resources;
- a preliminary economic assessment, prefeasibility study or feasibility study that demonstrates the reserves and mineral resources will generate a positive commercial outcome;
- reasonable expectations that operating permits will be obtained; and
- approval by the Board of Directors for development of the project.

Joint Arrangements

Judgment is required to determine when the Company has joint control of a contractual arrangement, which requires a continuous assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Judgment is also continually required to classify a joint arrangement as either a joint operation or a joint venture when the arrangement has been structured through a separate vehicle. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. Specifically, the Company considers the legal form of the separate vehicle, the terms of the contractual arrangement and other relevant facts and circumstances. This assessment often requires significant judgment, and a different conclusion on joint control, or whether the arrangement is a joint operation or a joint venture, may have a material impact on the accounting treatment.

Management evaluated its joint arrangement with Yamana Gold Inc. ("Yamana") to each acquire 50.0% of the shares of Osisko (now CMC) under the principles of IFRS 11 – Joint Arrangements. The Company concluded that the arrangement qualified as a joint operation upon considering the following significant factors:

- the 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 Partnership cannot satisfy.

5. ACQUISITIONS

CMC Exploration Assets

On March 28, 2018, the Company acquired 100% of the Canadian exploration assets of CMC, including the Kirkland Lake and Hammond Reef gold projects (the "CMC Exploration Assets") by way of an asset purchase agreement (the "CMC Purchase Agreement") dated December 21, 2017. On the closing of the transactions relating to the CMC Purchase Agreement, Agnico acquired all of Yamana's indirect 50% interest in the CMC Exploration Assets, giving Agnico Eagle 100% ownership of the CMC Exploration Assets.

Pursuant to the CMC Purchase Agreement, the effective consideration for the CMC Exploration Assets after the distribution of the sale proceeds by CMC to its shareholders totaled $162.5 million in cash paid at closing.

The acquisition was accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $2.9 million were capitalized to the mining properties acquired in addition to the purchase price allocation set out below.

The following table sets out the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value:

Total purchase price:		
Cash paid for acquisition	$	162,479
Total purchase price to allocate	$	162,479
Fair value of assets acquired and liabilities assumed:		
Mining properties	$	161,242
Plant and equipment		2,423
Reclamation provision		(1,186)
Net assets acquired	$	162,479

Santa Gertrudis Project

On November 1, 2017, the Company acquired 100% of the issued and outstanding shares of Animas Resources Ltd. ("Animas"), a wholly-owned Canadian subsidiary of GoGold Resources Inc ("Go Gold") by way of a subscription and share purchase agreement (the "Animas Agreement") dated September 5, 2017. On the closing of the transactions relating to the Animas Agreement, Animas owned a 100% interest in the Santa Gertrudis exploration project located in Sonora, Mexico, indirectly, through three wholly-owned Mexican subsidiaries.

Pursuant to the Animas Agreement, consideration for the acquisition of shares of Animas totaled $80.0 million less a working capital adjustment of $0.4 million, comprised of $72.0 million in cash payable at closing and the extinguishment of a $7.5 million loan advanced to GoGold on the date of the Animas Agreement that bore interest at a rate of 10% per annum. The principle amount of the loan, along with all accrued interest, was repaid upon closing of the Animas Agreement by way of a set-off against the purchase price.

In connection with the transaction, GoGold was granted a 2.0% net smelter return royalty on production from the Santa Gertrudis project, 50% of which may be repurchased by the Company at any time for $7.5 million.

The acquisition was accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $0.9 million were capitalized to the mining properties acquired in addition to the purchase price allocation set out below.

The following table sets out the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value:

Total purchase price:		
Cash paid for acquisition	$	71,999
Loan obligation set-off		7,621
Total purchase price to allocate	**$**	**79,620**

Fair value of assets acquired and liabilities assumed:		
Mining properties	$	79,201
Cash and cash equivalents		10
Other current assets		1,214
Accounts payable and accrued liabilities		(805)
Net assets acquired	**$**	**79,620**

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, 2018, 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, trade receivables, equity securities, accounts payable and accrued liabilities, long-term debt and derivative financial instruments.

The fair values of cash and cash equivalents, short-term investments and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

Long-term debt is recorded on the consolidated balance sheets at December 31, 2018 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, 2018, the Company's long-term debt had a fair value of $1,762.2 million (2017 – $1,499.4 million).

The following table sets out the Company's financial assets measured at fair value on a recurring basis as at December 31, 2018 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 10,055	$ –	$ 10,055
Equity securities	61,245	15,287	–	76,532
Fair value of derivative financial instruments	–	180	–	180
Total financial assets	$ 61,245	$ 25,522	$ –	$ 86,767
Financial liabilities:				
Fair value of derivative financial instruments	$ –	$ 8,325	$ –	$ 8,325
Total financial liabilities	$ –	$ 8,325	$ –	$ 8,325

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2017 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 12,000	$ –	$ 12,000
Equity securities	110,664	12,111	–	122,775
Fair value of derivative financial instruments	–	17,240	–	17,240
Total financial assets	$ 110,664	$ 41,351	$ –	$ 152,015

Valuation Techniques

Trade Receivables

Trade receivables from provisional invoices for concentrate sales are valued using quoted forward rates derived from observable market data based on the month of expected settlement (classified within Level 2 of the fair value hierarchy).

Equity Securities

Equity securities representing shares of publicly traded entities are recorded at fair value using quoted market prices (classified within Level 1 of the fair value hierarchy). Equity securities representing shares of non-publicly traded entities are recorded at fair value using external broker-dealer quotations corroborated by option pricing models (classified within Level 2 of the fair value hierarchy).

6. FAIR VALUE MEASUREMENT (Continued)

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.

7. INVENTORIES

	As at December 31, 2018	As at December 31, 2017
Ore in stockpiles and on leach pads	$ 65,616	$ 108,161
Concentrates and dore bars	100,420	123,047
Supplies	328,114	269,768
Total current inventories	$ 494,150	$ 500,976
Non-current ore in stockpiles and on leach pads [(i)]	116,762	69,587
Total inventories	$ 610,912	$ 570,563

Note:

(i) Ore that the Company does not expect to process within 12 months is classified as non-current and is recorded in the other assets line item on the consolidated balance sheets.

During the year ended December 31, 2018, a charge of $16.0 million (2017 – $2.5 million) was recorded within production costs to reduce the carrying value of inventories to their net realizable value.

8. EQUITY SECURITIES

Upon adoption of IFRS 9, the Company made the irrevocable election to designate all of its investments in equity securities as financial assets at fair value through other comprehensive income and measured at fair value. The Company considers this to be an appropriate classification because the securities are strategic investments in nature and not held for trading.

The following table sets out the Company's equity securities which have been designated at FVOCI:

	As at December 31, 2018[(i)]
Orla Mining Ltd.	$ 13,563
White Gold Corp.	25,029
Other[(ii)]	37,940
Total equity securities	$ 76,532

Notes:

(i) Prior to the adoption of IFRS 9 on January 1, 2018, the Company's equity securities were classified as available-for-sale.

(ii) The balance is comprised of 23 equity investments that are individually immaterial.

Disposal of Equity Securities

During the year ended December 31, 2018 the Company sold its interest in certain equity securities as they no longer fit the Company's investment strategy. The fair value at the time of sale was $17.5 million and the Company recognized a cumulative net loss on disposal of $1.3 million which was transferred to deficit.

During the year ended December 31, 2017, the Company sold its interest in certain equity securities as they no longer fit the Company's investment strategy. The shares had a cumulative fair value of $0.3 million at the time of sale and the Company recognized a gain before income taxes of $0.2 million. In accordance with the Company's accounting policy for the year ended December 31, 2017, the gain and associated tax impact was transferred from other comprehensive income to the consolidated statements of income (loss) at the date of sale.

Impairment Loss on Equity Securities

For the year ended December 31, 2018, changes in the fair value of equity securities are permanently recognized in other comprehensive income and will not be reclassified to profit or loss.

Prior to the adoption of IFRS 9 on January 1, 2018, the Company recognized an impairment loss on equity securities of $8.5 million for the year ended December 31, 2017. Impairment loss evaluations of equity securities were based on whether a decline in fair value was considered to be significant or prolonged.

9. OTHER ASSETS

A) Other Current Assets

	As at December 31, 2018	As at December 31, 2017
Federal, provincial and other sales taxes receivable	$ 93,294	$ 83,593
Prepaid expenses	55,146	53,503
Other	17,384	13,952
Total other current assets	$ 165,824	$ 151,048

B) Other Assets

	As at December 31, 2018	As at December 31, 2017
Non-current ore in stockpiles and on leach pads	$ 116,762	$ 69,587
Non-current prepaid expenses	13,736	5,551
Other	7,799	5,568
Total other assets	$ 138,297	$ 80,706

10. PROPERTY, PLANT AND MINE DEVELOPMENT

	Mining Properties	Plant and Equipment	Mine Development Costs	Total
As at December 31, 2016	$ 1,605,536	$ 2,024,283	$ 1,476,217	$ 5,106,036
Additions	174,374	221,924	648,242	1,044,540
Disposals	(6,750)	(9,354)	–	(16,104)
Amortization	(127,579)	(276,493)	(103,848)	(507,920)
Transfers between categories	19,946	30,761	(50,707)	–
As at December 31, 2017	1,665,527	1,991,121	1,969,904	5,626,552
Additions	335,938	247,655	681,882	1,265,475
Impairment loss	(100,676)	–	–	(100,676)
Disposals	(8,554)	(5,590)	–	(14,144)
Amortization	(146,793)	(268,028)	(128,084)	(542,905)
Transfers between categories	29,621	19,709	(49,330)	–
As at December 31, 2018	$ 1,775,063	$ 1,984,867	$ 2,474,372	$ 6,234,302
As at December 31, 2017				
Cost	$ 2,782,732	$ 4,602,106	$ 2,648,514	$ 10,033,352
Accumulated amortization and impairments	(1,117,205)	(2,610,985)	(678,610)	(4,406,800)
Carrying value – December 31, 2017	$ 1,665,527	$ 1,991,121	$ 1,969,904	$ 5,626,552
As at December 31, 2018				
Cost	$ 3,135,284	$ 4,839,166	$ 3,281,066	$ 11,255,516
Accumulated amortization and impairments	(1,360,221)	(2,854,299)	(806,694)	(5,021,214)
Carrying value – December 31, 2018	$ 1,775,063	$ 1,984,867	$ 2,474,372	$ 6,234,302

As at December 31, 2018, assets under construction, and therefore not yet being depreciated, included in the carrying value of property, plant and mine development amounted to $1,424.2 million (2017 – $910.6 million).

During the year ended December 31, 2018, the Company disposed of property, plant and mine development with a carrying value of $14.1 million (2017 – $16.1 million). The loss on disposal was recorded in the other income line item in the consolidated statements of income (loss).

Geographic Information:

	As at December 31, 2018	As at December 31, 2017
Northern Business:		
Canada	$ 4,386,051	$ 3,730,809
Finland	996,946	889,610
Sweden	13,812	13,812
Southern Business:		
Mexico	835,797	982,115
United States	1,696	10,206
Total property, plant and mine development	$ 6,234,302	$ 5,626,552

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2018	As at December 31, 2017
Trade payables	$ 163,032	$ 144,135
Wages payable	51,378	50,380
Accrued liabilities	75,287	76,562
Other liabilities	20,900	19,645
Total accounts payable and accrued liabilities	$ 310,597	$ 290,722

In 2018 and 2017, 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, 2018 ranged between 0.79% and 2.64% (2017 – between 1.14% and 2.39%).

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 2067.

	Year Ended December 31, 2018	Year Ended December 31, 2017
Asset retirement obligations – long-term, beginning of year	$ 341,077	$ 259,706
Asset retirement obligations – current, beginning of year	8,609	5,953
Current year additions and changes in estimate, net	45,470	58,891
Current year accretion	7,500	5,247
Liabilities settled	(2,315)	(1,115)
Foreign exchange revaluation	(25,353)	21,004
Reclassification from long-term to current, end of year	(3,856)	(8,609)
Asset retirement obligations – long-term, end of year	$ 371,132	$ 341,077

The following table reconciles the beginning and ending carrying amounts of the Company's environmental remediation liability. The settlement of the obligation is estimated to occur through to 2026.

	Year Ended December 31, 2018	Year Ended December 31, 2017
Environmental remediation liability – long-term, beginning of year	$ 4,191	$ 5,602
Environmental remediation liability – current, beginning of year	1,429	3,240
Current year additions and changes in estimate, net	8,285	850
Liabilities settled	(2,370)	(4,559)
Foreign exchange revaluation	(365)	487
Reclassification from long-term to current, end of year	(1,555)	(1,429)
Environmental remediation liability – long-term, end of year	$ 9,615	$ 4,191

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* ("IAS 17"). The sale-leaseback agreements have an average effective annual interest rate of 3.3% and maturities up to 2019.

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, 2018, the total net book value of assets recorded under sale-leaseback finance leases amounted to $1.5 million (2017 – $3.3 million).

The Company has agreements with third party providers of mobile equipment with an average effective annual interest rate of 4.3% and maturities up to 2019. These arrangements represent finance leases in accordance with the guidance in IAS 17. As at December 31, 2018, the Company's attributable finance lease obligations were $1.9 million (2017 – $3.3 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, 2018			As at December 31, 2017		
	Minimum Finance Lease Payments	Interest	Present Value	Minimum Finance Lease Payments	Interest	Present Value
Within 1 year	$ 1,970	$ 56	$ 1,914	$ 3,570	$ 158	$ 3,412
Between 1 – 5 years	–	–	–	1,971	56	1,915
Total	$ 1,970	$ 56	$ 1,914	$ 5,541	$ 214	$ 5,327

As at December 31, 2018, the total net book value of assets recorded under finance leases, including sale-leaseback finance leases, was $3.8 million (2017 – $8.4 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 (loss).

B) Operating Leases

The Company has a number of operating lease agreements involving office facilities and equipment. 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, 2018	As at December 31, 2017
Within 1 year	$ 15,711	$ 4,305
Between 1 – 3 years	27,011	7,415
Between 3 – 5 years	21,186	7,484
Thereafter	28,341	9,429
Total	$ 92,249	$ 28,633

During the year ended December 31, 2018, $14.1 million (2017 – $6.3 million) of operating lease payments were recognized in the consolidated statements of income (loss).

14. LONG-TERM DEBT

	As at December 31, 2018	As at December 31, 2017
Credit Facility[(i)(ii)]	$ (5,708)	$ (6,181)
2018 Notes[(i)(iii)]	347,803	–
2017 Notes[(i)(iii)]	298,022	297,784
2016 Notes[(i)(iii)]	348,265	348,002
2015 Note[(i)(iii)]	49,560	49,495
2012 Notes[(i)(iii)]	199,233	199,063
2010 Notes[(i)(iii)]	484,133	483,688
Total long-term debt	$ 1,721,308	$ 1,371,851

Notes:

(i) Inclusive of unamortized deferred financing costs.

(ii) There were no amounts outstanding under the Credit Facility (as defined below) as at December 31, 2018 and December 31, 2017. The December 31, 2018 and December 31, 2017 balances relate to deferred financing costs which are being amortized on a straight-line basis until the maturity date of June 22, 2023. Credit Facility availability is reduced by outstanding letters of credit, amounting to nil as at December 31, 2018.

(iii) The terms 2018 Notes, 2017 Notes, 2016 Notes, 2015 Note, 2012 Notes and 2010 Notes are defined below.

Scheduled Debt Principal Repayments

	2019	2020	2021	2022	2023	2024 and Thereafter	Total
2018 Notes	$ –	$ –	$ –	$ –	$ –	$ 350,000	$ 350,000
2017 Notes	–	–	–	–	–	300,000	300,000
2016 Notes	–	–	–	–	100,000	250,000	350,000
2015 Note	–	–	–	–	–	50,000	50,000
2012 Notes	–	–	–	100,000	–	100,000	200,000
2010 Notes	–	360,000	–	125,000	–	–	485,000
Total	$ –	$ 360,000	$ –	$ 225,000	$ 100,000	$ 1,050,000	$ 1,735,000

Credit Facility

On December 14, 2018, the Company amended its $1.2 billion unsecured revolving bank credit facility (the "Credit Facility") to, among other things, extend the maturity date from June 22, 2022 to June 22, 2023 and amend pricing terms.

As at December 31, 2018 and December 31, 2017, no amounts were outstanding under the Credit Facility. Credit Facility availability is reduced by outstanding letters of credit. As at December 31, 2018, $1,200.0 million was available for future drawdown under the Credit Facility (December 31, 2017 – $1,199.2 million). During the year ended December 31, 2018, Credit Facility drawdowns totaled $300.0 million and repayments totaled $300.0 million. During the year ended December 31, 2017, Credit Facility drawdowns totaled $280.0 million and repayments totaled $280.0 million.

The Credit Facility is available in multiple currencies through prime rate and base rate advances, priced at the applicable rate plus a margin that ranges from 0.20% to 1.75%, through LIBOR advances, bankers' acceptances and financial letters of credit, priced at the applicable rate plus a margin that ranges from 1.20% to 2.75% and through performance letters of credit, priced at the applicable rate plus a margin that ranges from 0.80% to 1.83%. The lenders under the Credit Facility are each paid a standby fee at a rate that ranges from 0.24% to 0.55% of the undrawn portion of the facility. In each case, the applicable margin or standby fees vary depending on the Company's credit rating and the Company's total net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio.

2018 Notes

On February 27, 2018, the Company agreed to a $350.0 million private placement of guaranteed senior unsecured notes (the "2018 Notes") which were issued on April 5, 2018. Upon issuance, the 2018 Notes had a weighted average maturity of 13.9 years and weighted average yield of 4.57%.

The following table sets out details of the individual series of the 2018 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	45,000	4.38%	4/5/2028
Series B		55,000	4.48%	4/5/2030
Series C		250,000	4.63%	4/5/2033
Total	$	350,000		

2017 Notes

On May 5, 2017, the Company agreed to a $300.0 million private placement of guaranteed senior unsecured notes (the "2017 Notes") which were issued on June 29, 2017. Upon issuance, the 2017 Notes had a weighted average maturity of 10.9 years and weighted average yield of 4.67%.

The following table sets out details of the individual series of the 2017 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	40,000	4.42%	6/29/2025
Series B		100,000	4.64%	6/29/2027
Series C		150,000	4.74%	6/29/2029
Series D		10,000	4.89%	6/29/2032
Total	$	300,000		

2016 Notes

On June 30, 2016, the Company closed a $350.0 million private placement of guaranteed senior unsecured notes (the "2016 Notes").

The following table sets out details of the individual series of the 2016 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	100,000	4.54%	6/30/2023
Series B		200,000	4.84%	6/30/2026
Series C		50,000	4.94%	6/30/2028
Total	$	350,000		

2015 Note

On September 30, 2015, the Company closed a private placement 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%.

2012 Notes

On July 24, 2012, the Company closed a $200.0 million private placement of guaranteed senior unsecured notes (the "2012 Notes").

The following table sets out details of the individual series of the 2012 Notes:

		Principal	Interest Rate	Maturity Date
Series A		100,000	4.87%	7/23/2022
Series B		100,000	5.02%	7/23/2024
Total	$	200,000		

2010 Notes

On April 7, 2010, the Company closed a $600.0 million private placement of guaranteed senior unsecured notes (the "2010 Notes" and, together with the 2018 Notes, the 2017 Notes, the 2016 Notes, the 2015 Note and the 2012 Notes, the "Notes").

On April 7, 2017, the Company repaid Series A of the 2010 Notes with principal of $115.0 million and an annual interest rate of 6.13%. As at December 31, 2018, the principal amount of the 2010 Notes that remains outstanding is $485.0 million.

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

		Principal	Interest Rate	Maturity Date
Series B		360,000	6.67%	4/7/2020
Series C		125,000	6.77%	4/7/2022
Total	$	485,000		

Covenants

Payment and performance of Agnico Eagle's obligations under the Credit Facility and the Notes 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.

14. LONG-TERM DEBT (Continued)

The Credit Facility and Note Purchase Agreements also require the Company to maintain a total net debt to EBITDA ratio below a specified maximum value and the Note Purchase Agreements (other than the 2018 Notes) require the Company to maintain a minimum tangible net worth.

The Company was in compliance with all covenants contained in the Credit Facility and Note Purchase Agreements as at December 31, 2018.

Interest on Long-term Debt

Total long-term debt interest costs incurred during the year ended December 31, 2018 were $87.4 million (2017 – $70.0 million).

Total borrowing costs capitalized to property, plant and mine development during the year ended December 31, 2018 were $7.9 million (2017 – $6.4 million) at a capitalization rate of 1.33% (2017 – 1.37%).

15. OTHER LIABILITIES

Other liabilities consist of the following:

	As at December 31, 2018	As at December 31, 2017
Long-term portion of finance lease obligations (Note 13(A))	$ –	$ 1,915
Pension benefit obligations	32,881	33,542
Other	9,738	4,872
Total other liabilities	$ 42,619	$ 40,329

Pension Benefit Obligations

The Company provides the Executives Plan for certain current and former senior officers and the Retirement Program for eligible employees, which are both considered defined benefit plans under IAS 19 – *Employee Benefits*. The funded status of the plans are based on actuarial valuations performed as at December 31, 2018. The plans operate under similar regulatory frameworks and generally face similar risks.

The Executives Plan pension formula is based on final average earnings in excess of the amounts payable from the registered plan. Assets for the Executives Plan consist of deposits on hand with regulatory authorities that are refundable when benefit payments are made or on the ultimate wind-up of the plan.

The Company provides a defined benefit retirement program for certain eligible employees that provides a lump-sum payment upon retirement. The payment is based on age and length of service at retirement. An eligible employee is entitled to a benefit if they have completed at least 10 years of service as a permanent employee and are 57 years of age or older. The Retirement Program is not funded.

The funded status of the Company's defined benefit obligations relating to the Company's Executives Plan and Retirement Program for 2018 and 2017, is as follows:

	Year Ended December 31,	
	2018	**2017**
Reconciliation of plan assets:		
Plan assets, beginning of year	$ 2,457	$ 2,192
Employer contributions	1,037	303
Benefit payments	(819)	(90)
Administrative expenses	(109)	(106)
Interest on assets	79	87
Net return on assets excluding interest	(79)	(87)
Effect of exchange rate changes	(203)	158
Plan assets, end of year	2,363	2,457
Reconciliation of defined benefit obligation:		
Defined benefit obligation, beginning of year	24,243	11,867
Current service cost	975	493
Past service cost	–	8,754
Benefit payments	(819)	(90)
Interest cost	758	544
Actuarial (gains) losses arising from changes in economic assumptions	(1,188)	1,035
Actuarial losses arising from changes in demographic assumptions	1,277	–
Actuarial (gains) losses arising from Plan experience	(226)	421
Effect of exchange rate changes	(1,988)	1,219
Defined benefit obligation, end of year	23,032	24,243
Net defined benefit liability, end of year	$ 20,669	$ 21,786

The components of Agnico Eagle's pension expense recognized in net income (loss) relating to the Executives Plan and the Retirement Program are as follows:

	Year Ended December 31,	
	2018	**2017**
Current service cost	$ 975	$ 493
Past service cost	–	8,754
Administrative expenses	109	106
Interest cost on defined benefit obligation	758	544
Interest on assets	(79)	(87)
Pension expense	$ 1,763	$ 9,810

The remeasurements of the net defined benefit liability recognized in other comprehensive income (loss) relating to the Company's Executives Plan and the Retirement Program are as follows:

	Year Ended December 31,	
	2018	**2017**
Actuarial (gains) losses relating to the defined benefit obligation	(137)	1,456
Net return on assets excluding interest	79	87
Total remeasurements of the net defined benefit liability	$ (58)	$ 1,543

In 2019, the Company expects to make contributions of $1.4 million and benefit payments of $1.3 million, in aggregate, related to the Executives Plan and the Retirement Program. The weighted average duration of the Company's defined benefit obligation is 5.8 years at December 31, 2018 (2017 – 6.4 years).

The following table sets out significant assumptions used in measuring the Company's Executives Plan defined benefit obligations:

	As at December 31,	
	2018	**2017**
Assumptions:		
Discount rate – beginning of year	3.3%	3.8%
Discount rate – end of year	3.8%	3.3%

The following table sets out significant assumptions used in measuring the Company's Retirement Program defined benefit obligations:

	As at December 31,	
	2018	**2017**
Assumptions:		
Discount rate – beginning of year	3.0%	3.3%
Discount rate – end of year	3.5%	3.0%
Range of mine closure dates	2019 – 2032	2018 – 2034
Termination of employment per annum	0.53% – 2.58%	0.65% – 10.0%

Other significant actuarial assumptions used in measuring the Company's Retirement Program defined benefit obligations as at December 31, 2018 and December 31, 2017 include assumptions of the expected retirement age of participants.

The following table sets out the effect of changes in significant actuarial assumptions on the Company's Executives Plan and Retirement Program defined benefit obligations:

	As at December 31, 2018
Change in assumption:	
0.5% increase in discount rate	(1,039)
0.5% decrease in discount rate	1,129

The summary of the effect of changes in significant actuarial assumptions was prepared using the same methods and actuarial assumptions as those used for the calculation of the Company's defined benefit obligation related to the Executives Plan and the Retirement Program as at the end of the fiscal year, except for the change in the single actuarial assumption being evaluated. The modification of several actuarial assumptions at the same time could lead to different results.

Other Plans

In addition to its defined benefit pension plans, the Company maintains the Basic Plan and the Supplemental Plan. Under the Basic Plan, Agnico Eagle contributes 5.0% of certain employees' base employment compensation to a defined contribution plan. In 2018, $12.6 million (2017 – $10.6 million) was contributed to the Basic Plan, $0.2 million of which related to contributions for key management personnel (2017 – $0.2 million). The Company also maintains the Supplemental Plan for designated executives at the level of Vice-President or above. The Supplemental Plan is funded by the Company through notional contributions equal to 10.0% of the designated executive's earnings for the year (including salary and short-term bonus). In 2018, the Company made $1.6 million (2017 – $1.4 million) in notional contributions to the Supplemental Plan, $1.0 million (2017 – $1.0 million) of which related to contributions for key management personnel. The Company's liability related to the Supplemental Plan is $8.8 million at December 31, 2018 (2017 – $8.2 million). At retirement date, the notional account balance is converted to a pension payable in five annual installments.

16. EQUITY

Common Shares

The Company's authorized share capital includes an unlimited number of common shares with no par value. As at December 31, 2018, Agnico Eagle's issued common shares totaled 235,025,507 (December 31, 2017 – 232,793,335), of which 566,910 common shares are held in a trust as described below (2017 – 542,894).

The common shares are held in a trust in connection with the Company's RSU plan, PSU plan and a Long Term Incentive Plan ("LTIP") for certain employees of the Partnership and CMC. The trusts have been evaluated under IFRS 10 – *Consolidated Financial Statements* and are consolidated in the accounts of the Company, with shares held in trust offset against the Company's issued shares in its consolidated financial statements. The common shares purchased and held in 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 the trusts are included in the diluted net income per share calculations, unless the impact is anti-dilutive.

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding as at December 31, 2018 were exercised:

Common shares outstanding at December 31, 2018	234,458,597
Employee stock options	6,361,265
Common shares held in a trust in connection with the RSU plan (Note 17(C)), PSU plan (Note 17(D)) and LTIP	566,910
Total	241,386,772

Net Income (Loss) Per Share

The following table sets out the weighted average number of common shares used in the calculation of basic and diluted net income (loss) per share:

	Year Ended December 31,	
	2018	**2017**
Net income (loss) for the year	$ (326,701)	$ 240,795
Weighted average number of common shares outstanding – basic (in thousands)	233,251	230,252
Add: Dilutive impact of common shares related to the RSU plan, PSU plan and LTIP	–	694
Add: Dilutive impact of employee stock options	–	1,515
Weighted average number of common shares outstanding – diluted (in thousands)	233,251	232,461
Net income (loss) per share – basic	$ (1.40)	$ 1.05
Net income (loss) per share – diluted	$ (1.40)	$ 1.04

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, 2018, the impact of any additional shares issued under the employee stock option plan or related to the RSU plan, PSU plan or LTIP would have been anti-dilutive as a result of the net loss recorded for the year. Consequently, diluted net loss per share was calculated in the same manner as basic net loss per share in 2018. For the year ended December 31, 2017, 52,000 employee stock options were excluded from the calculation of diluted net income per share as their impact would have been anti-dilutive.

Equity Issuance

On March 31, 2017, the Company issued and sold 5,003,412 common shares of the Company to an institutional investor in the United States at a price of $43.97 per common share, for total consideration of approximately $220.0 million. Transaction costs of approximately $5.0 million (net of tax of $1.7 million) were incurred, resulting in a net increase to share capital of $215.0 million.

17. 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 2018, the shareholders approved a resolution to increase the number of common shares reserved for issuance under the ESOP to 35,700,000 common shares.

Of the 1,990,850 stock options granted under the ESOP in 2018, 496,973 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2023, vest in equal installments on each anniversary date of the grant over a three-year period. Of the 2,018,140 stock options granted under the ESOP in 2017, 499,796 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. 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, 2018		Year Ended December 31, 2017	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	5,857,504	C$ 41.18	5,478,837	C$ 34.40
Granted	1,990,850	58.04	2,018,140	56.57
Exercised	(1,220,921)	32.46	(1,538,729)	37.18
Forfeited	(59,168)	53.91	(99,644)	42.09
Expired	(207,000)	52.13	(1,100)	37.05
Outstanding, end of year	6,361,265	C$ 47.65	5,857,504	C$ 41.18
Options exercisable, end of year	3,429,813	C$ 42.28	2,628,998	C$ 37.66

The average share price of Agnico Eagle's common shares during the year ended December 31, 2018 was C$52.81 (2017 – C$59.47).

The weighted average grant date fair value of stock options granted in 2018 was C$12.66 (2017 – C$14.51). The following table sets out information about Agnico Eagle's stock options outstanding and exercisable as at December 31, 2018:

	Stock Options Outstanding			Stock Options Exercisable		
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
C$28.03 – C$38.15	2,544,126	1.55 years	C$ 33.07	2,052,333	1.44 years	C$ 32.28
C$40.66 – C$66.57	3,817,139	3.52 years	57.37	1,377,480	3.36 years	57.18
C$28.03 – C$66.57	6,361,265	2.73 years	C$ 47.65	3,429,813	2.21 years	C$ 42.28

The Company has reserved for issuance 6,361,265 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, 2018 was 7,046,981.

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,	
	2018	**2017**
Risk-free interest rate	2.10%	1.15%
Expected life of stock options (in years)	2.4	2.3
Expected volatility of Agnico Eagle's share price	35.0%	45.0%
Expected dividend yield	1.00%	1.09%

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 (loss) for 2018 was $19.8 million (2017 – $19.5 million). Of the total compensation cost for the ESOP, $0.5 million was capitalized as part of the property, plant and mine development line item of the consolidated balance sheets in 2018 (2017 – $0.3 million).

Subsequent to the year ended December 31, 2018, 2,118,850 stock options were granted under the ESOP, of which 527,975 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2024, vest in equal installments on each anniversary date of the grant over a three-year period.

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 2018 related to the ISPP was $6.9 million (2017 – $5.8 million).

In 2018, 515,432 common shares were subscribed for under the ISPP (2017 – 382,663) for a value of $20.6 million (2017 – $17.4 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, 2018, Agnico Eagle has reserved for issuance 656,875 common shares (2017 – 1,172,307) 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 up to three years.

In 2018, 379,324 (2017 – 369,623) RSUs were granted with a grant date fair value of $47.91 (2017 – $44.42). In 2018, the Company funded the RSU plan by transferring $17.6 million (2017 – $16.4 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 $15.2 million in 2018 (2017 – $13.1 million). Compensation expense related to the RSU plan is included as part of the general and administrative line item of the consolidated statements of income (loss).

Subsequent to the year ended December 31, 2018, 404,100 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 2018, 180,000 (2017 – 182,000) PSUs were granted with a grant date fair value of $58.47 (2017 – $49.38). The Company funded the PSU plan by transferring $8.4 million (2017 – $8.1 million) to an employee benefit trust that then purchased common shares of the Company in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding. In 2018, the Company purchased an additional 100,345 shares to fulfill the payout of its 2016 PSU grant. The Company funded the purchase by transferring $3.5 million to an employee benefit trust that then purchased common shares of the Company in the open market. The purchase was treated as a treasury transaction and recognized directly in equity.

Compensation expense related to the PSU plan was $9.3 million in 2018 (2017 – $6.0 million). Compensation expense related to the PSU plan is included as part of the general and administrative line item of the consolidated statements of income (loss).

Subsequent to the year ended December 31, 2018, 190,500 PSUs were granted under the PSU plan.

18. OTHER RESERVES

The following table sets out the movements in other reserves during the years ended December 31, 2018 and December 31, 2017:

	Equity securities reserve	Cash flow hedge reserve	Costs of hedging reserve[(i)]	Total[(i)]
Balance at December 31, 2016	$ 32,127	$ –	$ –	$ 32,127
Unrealized change in fair value	(21,179)	10,763	3,092	(7,324)
Tax impact	1,390	–	–	1,390
Realized gain reclassified to net income	(168)	–	–	(168)
Impairment loss reclassified to net income	8,532	–	–	8,532
Tax impact of reclassifications	(1,117)	–	–	(1,117)
Restated Balance at December 31, 2017	$ 19,585	$ 10,763	$ 3,092	$ 33,440
Adoption of IFRS 9 on January 1, 2018	(44,048)	–	–	(44,048)
Tax impact	4,663	–	–	4,663
Adjusted Balance at January 1, 2018	$ (19,800)	$ 10,763	$ 3,092	$ (5,945)
Net change in fair value	(39,585)	(6,984)	(3,092)	(49,661)
Transfer of loss on disposal of equity securities at FVOCI to deficit	1,290	–	–	1,290
Hedging gains transferred to property, plant and mine development	–	(3,779)	–	(3,779)
Balance at December 31, 2018	$ (58,095)	$ –	$ –	$ (58,095)

Note:

(i) The Company has adopted IFRS 9 – *Financial instruments* ("IFRS 9") effective January 1, 2018 on a retrospective basis and the comparative amounts have been adjusted accordingly. For more information please see Note 3 in the Company's consolidated financial statements.

19. REVENUES FROM MINING OPERATIONS AND TRADE RECEIVABLES

Agnico Eagle is a gold mining company with mining operations in Canada, Mexico and Finland. The Company earns a significant proportion of its revenues from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of by-product metals. The revenue from by-product metals is primarily generated by production at the LaRonde mine in Canada (silver, zinc and copper) and the Pinos Altos mine in Mexico (silver).

The cash flow and profitability of the Company's operations are significantly affected by the market price of gold and, to a lesser extent, silver, zinc and copper. The prices of these metals can fluctuate significantly and are affected by numerous factors beyond the Company's control.

During the year ended December 31, 2018, four customers each contributed more than 10.0% of total revenues from mining operations for a combined total of approximately 74.0% of revenues from mining operations in the Northern and Southern business units. However, because gold can be sold through numerous gold market traders worldwide, the Company is not economically dependent on a limited number of customers for the sale of its product.

The following table sets out sales to individual customers that exceeded 10% of revenues from mining operations:

		Year Ended December 31, 2018[(i)]
Customer 1	$	453,561
Customer 2		419,907
Customer 3		390,745
Customer 4		358,087
Total sales to customers exceeding 10% of revenues from mining operations	$	1,622,300
Percentage of total revenues from mining operations		74.0%

Trade receivables are recognized once the transfer of control for the metals sold has occurred and reflect the amounts owing to the Company in respect of its sales concentrates to third parties prior to the satisfaction in full of the payment obligations of the third parties. As at December 31, 2018, the Company had $10.1 million (2017 – $12.0 million) in receivables relating to provisionally priced concentrate sales.

The Company has recognized the following amounts relating to revenue in the consolidated statements of income (loss):

		Year Ended December 31, 2018[(i)]
Revenue from contracts with customers		2,192,044
Provisional pricing adjustments on concentrate sales		(823)
Total revenues from mining operations	$	2,191,221

19. REVENUES FROM MINING OPERATIONS AND TRADE RECEIVABLES (Continued)

The following table sets out the disaggregation of revenue by metals and form of sale:

		Year Ended December 31, 2018[(i)]
Revenues from mining operations:		
Gold	$	2,080,270
Silver		75,676
Zinc		15,293
Copper		20,805
Provisional pricing adjustments on concentrate sales		(823)
Total revenues from mining operations	$	2,191,221

In 2018, precious metals (gold and silver) accounted for 98.4% of Agnico Eagle's revenues from mining operations (2017 – 99.3%). The remaining revenues from mining operations consisted of net by-product metal revenues from non-precious metals.

Note:

(i) The Company has adopted IFRS 15 on a modified retrospective basis. Under this method, the comparative information has not been restated (refer to Note 3). There would be no change to total revenues from mining operations for the year ended December 31, 2018 if reported under IAS 18.

20. CAPITAL AND FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, commodity price risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management policy is to support the delivery of the Company's financial targets while minimizing the potential adverse effects on the Company's performance.

Risk management is carried out by a centralized treasury department under policies approved by the Board. The Company's financial activities are governed by policies and procedures and its financial risks are identified, measured and managed in accordance with its policies and risk tolerance.

A) Market Risk

Market risk is the risk that changes in market factors, such as interest rates, commodity prices and foreign exchange rates, will affect the value of Agnico Eagle's financial instruments. The Company can choose to either accept market risk or mitigate it through the use of derivatives and other economic hedging strategies.

i. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations that have floating interest rates.

There is no impact on income before income and mining taxes or equity of a 1.0% increase or decrease in interest rates as at December 31, 2018 and December 31, 2017.

ii. Commodity Price Risk

a. Metal Prices

Agnico Eagle's revenues from mining operations and net income are sensitive to metal prices. Changes in the market price of gold may be attributed to numerous factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. Changes in the market prices of by-product metals (silver, zinc and copper) may be attributed to factors such as demand and global mine production levels.

In order to mitigate the impact of fluctuating by-product metal prices, the Company occasionally enters into derivative financial instrument contracts under its Board-approved Risk Management Policies and Procedures. The Company has a long-standing policy of no long-term forward gold sales. However, the policy does allow the Company to use other economic hedging strategies, where appropriate, to mitigate by-product metal pricing risks. The Company's policy does not allow speculative trading. As at December 31, 2018, there were no metal derivative positions.

b. Fuel

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of its diesel fuel costs (refer to Note 21 for further details on the Company's derivative financial instruments).

iii. Foreign Currency Risk

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant foreign currency risk exposure. The Company enters into currency economic hedging transactions under the Board-approved Foreign Exchange Risk Management Policies and Procedures to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), as it does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes (but is not limited to) the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes (refer to Note 21 for further details on the Company's derivative financial instruments).

The following table sets out the translation impact on income before income and mining taxes and equity for the year ended December 31, 2018 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	$ 862	$ (862)
Euro	$ 3,982	$ (3,982)
Mexican peso	$ (5,915)	$ 5,915

B) *Credit Risk*

Credit risk is the risk that a third party might fail to fulfill its obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, short-term investments, trade receivables and derivative financial instruments. The Company holds its cash and cash equivalents and short-term investments in highly rated financial institutions resulting in a low level of credit risk. For trade receivables and derivative financial instruments, historical levels of default have been negligible, resulting in a low level of credit risk. The Company mitigates credit risk by dealing with recognized credit-worthy counterparties and limiting concentration risk. For derivative financial instrument liabilities, the Company assumes no credit risk when the fair value of an instrument is negative. The maximum exposure to credit risk is equal to the carrying amount of the instruments as follows:

	As at December 31, 2018	As at December 31, 2017
Cash and cash equivalents	$ 301,826	$ 632,978
Short-term investments	6,080	10,919
Trade receivables	10,055	12,000
Derivative financial instrument assets	180	17,240
Total	$ 318,141	$ 673,137

C) *Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds by monitoring its credit rating and projected cash flows taking into account the maturity dates of existing debt and other payables. The Company manages exposure to liquidity risk by maintaining cash balances, having access to undrawn credit facilities and access to public debt markets. Contractual maturities relating to finance lease obligations are detailed in Note 13(A) and contractual maturities relating to long-term debt are detailed in Note 14. Other financial liabilities, including accounts payable and accrued liabilities and derivative financial instruments, have maturities within one year of December 31, 2018.

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, 2018	As at December 31, 2017
Long-term debt	$ 1,721,308	$ 1,371,851
Total equity	4,550,012	4,946,991
Total	$ 6,271,320	$ 6,318,842

The Company manages its capital structure and makes adjustments to it based on changes in economic conditions and the requirements of financial covenants. To effectively manage its capital requirements, Agnico Eagle has in place a rigorous planning, budgeting and forecasting process to ensure it has the appropriate liquidity to meet its operating and growth objectives. The Company has the ability to adjust its capital structure by various means.

See Note 14 for details related to Agnico Eagle's compliance with its long-term debt covenants.

E) Changes in liabilities arising from financing activities

	As at December 31, 2017	Changes from Financing Cash Flows[(i)]	Foreign Exchange	Other[(ii)]	As at December 31, 2018
Long-term debt	$ 1,371,851	$ 346,785	$ –	$ 2,672	$ 1,721,308
Finance lease obligations	5,327	(3,382)	(125)	94	1,914
Total liabilities from financing activities	$ 1,377,178	$ 343,403	$ (125)	$ 2,766	$ 1,723,222

Notes:

(i) Includes the 2018 Notes net of the financing costs on the notes issuance.

(ii) Includes the amortization of deferred financing costs on long-term debt and interest paid on finance lease obligations reflected in cash from operating activities.

21. DERIVATIVE FINANCIAL INSTRUMENTS

Currency Risk Management

The Company uses foreign exchange economic hedges to reduce the variability in expected future cash flows arising from changes in foreign currency exchange rates. The Company is primarily exposed to currency fluctuations relative to the US dollar as a significant portion of the Company's operating costs and capital expenditures are denominated in foreign currencies; primarily the Canadian dollar, the Euro and the Mexican peso. These potential currency fluctuations increase the volatility of, and could have a significant impact on, the Company's production costs and capital expenditures. The economic hedges relate to a portion of the foreign currency denominated cash outflows arising from foreign currency denominated expenditures.

As at December 31, 2018, the Company did not have any outstanding foreign exchange zero cost collars with a cash flow hedging relationship that qualified for hedge accounting under IFRS 9.

As at December 31, 2018, the Company had outstanding derivative contracts where hedge accounting was not applied. At December 31, 2018, the non-hedge derivatives related to $626.4 million of 2019 expenditures and the Company recognized mark-to-market adjustments in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss).

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 2018 and 2017 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, 2018 or December 31, 2017. The call option premiums were recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss).

Commodity Price Risk Management

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of diesel fuel costs associated primarily with Nunavut's diesel fuel exposure as it relates to operating costs. There were derivative financial instruments outstanding as at December 31, 2018 relating to 12.0 million gallons of heating oil (December 31, 2017 – 5.0 million). The related mark-to-market adjustments prior to settlement were recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss). 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, 2018 and December 31, 2017, 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 loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss):

	Year Ended December 31,	
	2018	**2017**
Premiums realized on written foreign exchange call options	$ (3,110)	$ (2,925)
Unrealized loss on warrants[(i)]	452	15
Realized gain on currency and commodity derivatives	(2,790)	(10,832)
Unrealized loss (gain) on currency and commodity derivatives[(i)]	11,513	(4,156)
Loss (gain) on derivative financial instruments	$ 6,065	$ (17,898)

Note:

(i) Unrealized gains and losses on financial instruments that did not qualify for hedge accounting are recognized through the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss) and through the other line item of the consolidated statements of cash flows.

22. OTHER INCOME

The following table sets out a summary of the amounts recognized in the other income line item of the consolidated statements of income (loss):

	Year Ended December 31,	
	2018	**2017**
(Gain) loss on disposal of property, plant and mine development	$ (22,764)	$ 8,815
Interest income	(10,245)	(10,564)
Other	(2,285)	(2,128)
Other income	$ (35,294)	$ (3,877)

Sale of West Pequop Joint Venture, Summit and PQX Properties

On June 11, 2018, the Company completed the sale of its 51% interest in the West Pequop Joint Venture and its 100% interest in the Summit and PQX properties located in northeastern Nevada (collectively, the "Nevada Properties") to a subsidiary of Newmont Mining Corp.

Under the purchase and sale agreement, the Company received a cash payment of $35.0 million and was granted a 0.8% net smelter return ("NSR") royalty on the Nevada Properties held by the West Pequop Joint Venture and a 1.6% NSR on the Summit and PQX properties. Upon closing of the sale, the Company recognized a net gain on disposal of $26.5 million in the other income line item of the consolidated statements of income (loss) and through the other line item of the consolidated statements of cash flows.

The Nevada Properties were included in the Company's Exploration segment.

23. SEGMENTED INFORMATION

Agnico Eagle operates in a single industry, namely exploration for and production of gold. The Company's primary operations are in Canada, Mexico and Finland. The Company identifies its reportable segments as those operations whose operating results are reviewed by the Chief Operating Decision Maker ("CODM"), the Chief Executive Officer for the purpose of allocating resources and assessing performance and that represent more than 10.0% of the combined revenue from mining operations, income or loss or total assets of all operating segments. Each of the Company's significant operating mines and projects are considered to be separate operating segments. Certain operating segments that do not meet the quantitative thresholds are still disclosed where the Company believes that the information is useful. The CODM also reviews segment income (defined as revenues from mining operations less production costs, exploration and corporate development expenses and impairment losses and reversals) on a mine-by-mine basis. The following are the Company's reportable segments organized according to their relationship with the Company's three business units and reflect how the Company manages its business and how it classifies its operations for planning and measuring performance:

Northern Business:	LaRonde mine, LaRonde Zone 5 mine, Lapa mine, Goldex mine, Meadowbank mine including the Amaruq deposit, Canadian Malartic joint operation, Meliadine project and Kittila mine
Southern Business:	Pinos Altos mine, Creston Mascota mine and La India mine
Exploration:	United States Exploration office, Europe Exploration office, Canada Exploration offices and Latin America Exploration office

Revenues from mining operations and production costs for the reportable segments are reported net of intercompany transactions.

Corporate and other assets and specific income and expense items are not allocated to reportable segments.

The Company has adjusted its operating segments as a result of the acquisition of the additional 50.0% of the CMC Exploration Assets on March 28, 2018 (see Note 5). The Company has reclassified the CMC Exploration Assets and

applicable exploration expenses from the Canadian Malartic joint operation segment into the Exploration segment and comparative information has been restated to reflect this change.

	Year Ended December 31, 2018				
	Revenues from Mining Operations	**Production Costs**	**Exploration and Corporate Development**	**Impairment Loss**	**Segment Income (Loss)**
Northern Business:					
LaRonde mine	$ 516,673	$ (228,294)	$ –	$ –	$ 288,379
LaRonde Zone 5 mine	21,327	(12,991)	–	–	8,336
Lapa mine	39,797	(27,870)	–	–	11,927
Goldex mine	152,426	(78,533)	–	–	73,893
Meadowbank mine	323,142	(211,147)	(25,128)	–	86,867
Canadian Malartic joint operation	448,526	(199,761)	(488)	(250,000)	(1,723)
Kittila mine	237,284	(157,032)	–	–	80,252
Total Northern Business	1,739,175	(915,628)	(25,616)	(250,000)	547,931
Southern Business:					
Pinos Altos mine	270,855	(138,362)	–	–	132,493
Creston Mascota mine	54,673	(37,270)	–	–	17,403
La India mine	126,518	(69,095)	–	(39,017)	18,406
Total Southern Business	452,046	(244,727)	–	(39,017)	168,302
Exploration	–	–	(112,054)	(100,676)	(212,730)
Segments totals	$ 2,191,221	$ (1,160,355)	$ (137,670)	$ (389,693)	$ 503,503
Total segments income					$ 503,503
Corporate and other:					
Amortization of property, plant and mine development					(553,933)
General and administrative					(124,873)
Finance costs					(96,567)
Loss on derivative financial instruments					(6,065)
Environmental remediation					(14,420)
Foreign currency translation loss					(1,991)
Other income					35,294
Loss before income and mining taxes					$ (259,052)

	Year Ended December 31, 2017			
	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Segment Income (Loss)
Northern Business:				
LaRonde mine	$ 484,488	$ (185,488)	$ –	$ 299,000
Lapa mine	64,572	(38,786)	–	25,786
Goldex mine	139,665	(71,015)	–	68,650
Meadowbank mine	449,025	(224,364)	(28,871)	195,790
Canadian Malartic joint operation	404,441	(188,568)	(489)	215,384
Kittila mine	248,761	(148,272)	–	100,489
Total Northern Business	1,790,952	(856,493)	(29,360)	905,099
Southern Business:				
Pinos Altos mine	257,905	(108,726)	–	149,179
Creston Mascota mine	63,798	(31,490)	–	32,308
La India mine	129,949	(61,133)	–	68,816
Total Southern Business	451,652	(201,349)	–	250,303
Exploration	–	–	(112,090)	(112,090)
Segments totals	$ 2,242,604	$ (1,057,842)	$ (141,450)	$ 1,043,312
Total segments income				$ 1,043,312
Corporate and other:				
Amortization of property, plant and mine development				(508,739)
General and administrative				(115,064)
Impairment loss on equity securities				(8,532)
Finance costs				(78,931)
Gain on derivative financial instruments				17,898
Environmental remediation				(1,219)
Foreign currency translation loss				(13,313)
Other income				3,877
Income before income and mining taxes				$ 339,289

	Total Assets as at	
	December 31, 2018	December 31, 2017
Northern Business:		
LaRonde mine	$ 794,155	$ 845,113
LaRonde Zone 5 mine	59,420	25,037
Lapa mine	11,654	17,867
Goldex mine	289,393	275,132
Meadowbank mine	681,761	565,355
Canadian Malartic joint operation	1,550,565	1,810,162
Meliadine project	1,645,360	1,194,414
Kittila mine	1,082,017	982,378
Total Northern Business	6,114,325	5,715,458
Southern Business:		
Pinos Altos mine	551,179	668,492
Creston Mascota mine	47,960	50,144
La India mine	315,411	427,957
Total Southern Business	914,550	1,146,593
Exploration	489,270	410,241
Corporate and other	334,698	593,309
Total assets	$ 7,852,843	$ 7,865,601

The following table sets out the changes in the carrying amount of goodwill by segment for the years ended December 31, 2017 and December 31, 2018:

	Meliadine Project	La India Mine	Canadian Malartic Joint Operation	Exploration	Total
Cost:					
Balance at December 31, 2017	$ 200,064	$ 39,017	$ 657,792	$ –	$ 896,873
Acquisition (Note 5)	–	–	(60,000)	60,000	–
Balance at December 31, 2018	$ 200,064	$ 39,017	$ 597,792	$ 60,000	$ 896,873
Accumulated impairment:					
Balance at December 31, 2017	$ (200,064)	$ –	$ –	$ –	$ (200,064)
Impairment loss (Note 24)	–	(39,017)	(250,000)	–	(289,017)
Balance at December 31, 2018	$ (200,064)	$ (39,017)	$ (250,000)	$ –	$ (489,081)
Carrying amount at December 31, 2017	$ –	$ 39,017	$ 657,792	$ –	$ 696,809
Carrying amount at December 31, 2018	$ –	$ –	$ 347,792	$ 60,000	$ 407,792

The following table sets out capital expenditures by segment:

	Capital Expenditures Year Ended December 31,	
	2018	**2017**
Northern Business:		
LaRonde mine	$ 77,488	$ 67,128
LaRonde Zone 5 mine	25,896	22,621
Goldex mine	52,857	57,050
Meadowbank mine	202,353	111,516
Canadian Malartic joint operation	82,833	86,549
Meliadine project	398,090	372,071
Kittila mine	173,704	87,789
Total Northern Business	1,013,221	804,724
Southern Business:		
Pinos Altos mine	40,297	49,337
Creston Mascota mine	19,500	8,108
La India mine	9,197	10,783
Total Southern Business	68,994	68,228
Corporate and other	6,885	1,201
Total capital expenditures	$ 1,089,100	$ 874,153

The following table sets out revenues from mining operations by geographic area [(i)]:

	Year Ended December 31,	
	2018	**2017**
Canada	$ 1,501,891	$ 1,542,191
Mexico	452,046	451,652
Finland	237,284	248,761
Total revenues from mining operations	$ 2,191,221	$ 2,242,604

Note:

(i) Presented based on the location of the mine from which the product originated.

23. SEGMENTED INFORMATION (Continued)

The following table sets out non-current assets by geographic area:

	Non-current Assets as at	
	December 31, 2018	**December 31, 2017**
Canada	$ 4,893,840	$ 4,452,478
Mexico	863,672	1,026,740
Finland	1,007,370	900,831
Sweden	13,812	13,812
United States	1,697	10,206
Total non-current assets	$ 6,780,391	$ 6,404,067

24. IMPAIRMENT LOSS

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.

Goodwill Impairment Tests

The estimated recoverable amount of the Canadian Malartic joint operation segment as at December 31, 2018 and December 31, 2017 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. As a result of the acquisition of the additional 50.0% of the CMC Exploration Assets on March 28, 2018 (see Note 5), the Company has removed the CMC Exploration Assets from the Canadian Malartic joint operation goodwill test in 2018. The estimated recoverable amount of the Canadian Malartic mine and certain exploration properties were calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 5.50% (2017 – 5.75% – 9.00%), commensurate with the estimated level of risk. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,300 per ounce (in real terms) (2017 – $1,300), foreign exchange rates of US$0.76:C$1.00 to US$0.80:C$1.00 (2017 – US$0.78: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. Exploration properties within the joint operation were valued by reference to comparable recent transactions or by a cashflow extension approach where the mineralization is expected to have sufficiently similar economics to the mineralization of the Canadian Malartic mine. As the Canadian Malartic joint operation segment's carrying amount exceeded its estimated recoverable amount at December 31, 2018, an impairment loss of $250.0 million was recognized in the impairment loss line item in the consolidated statements of income (loss) at December 31, 2018 to decrease the carrying amount of goodwill. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

The estimated recoverable amount of the La India mine CGU as at December 31, 2018 and December 31, 2017 was determined on the basis of fair value less costs to dispose of the La India mine. The estimated recoverable amount of the La India mine was calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 6.25% (2017 – 6.25%), commensurate with the estimated level of risk. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,300 per ounce (in real terms)

(2017 – $1,300), an inflation rate of 2.0%, and capital, operating and reclamation costs based on applicable life of mine plans. Other mineral resources within the CGU were valued by reference to comparable recent transactions. As the La India mine CGU's carrying amount exceeded its estimated recoverable amount at December 31, 2018, an impairment loss of $39.0 million was recognized in the impairment loss line item in the consolidated statements of income (loss) at December 31, 2018 to decrease the carrying amount of goodwill. The goodwill impairment was primarily due to the expected loss of value from production while the carrying value was not equally reduced through amortization. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

Impairment Indicators Assessment

Agnico Eagle owns a 100% interest in the El Barqueño project in the state of Jalisco, Mexico. In 2018, 28,000 meters of drilling was completed at the El Barqueño project, with a principal focus on testing new target areas. Progress on current development studies at the end of 2018 indicated that the project did not meet the Company's internal investment criteria. The Company identified this as a circumstance that suggested that the carrying amount of the El Barqueño exploration asset may exceed its recoverable amount and an impairment test was performed as at December 31, 2018. In estimating the fair value of the El Barqueño project, the Company applied a market approach using a price per gold equivalent ounce metric by reference to comparable recent transactions. As the El Barqueño project's carrying amount exceeded its estimated fair value, an impairment loss of $101.6 million was recognized in the impairment loss line item in the consolidated statements of income (loss) at December 31, 2018 to decrease the carrying amount of the mining property. The El Barqueño project is part of the Company's Exploration segment.

Key Assumptions

Discount rates were based on each asset group's weighted average cost of capital, of which the two main components are the cost of equity and the after-tax cost of debt. Cost of equity was calculated based on the capital asset pricing model, incorporating the risk-free rate of return based on local government marketable bond yields as at the valuation date, the Company's beta coefficient adjustment to the market equity risk premium based on the volatility of the Company's return in relation to that of a comparable market portfolio, plus a size premium and Company-specific risk factor. Cost of debt was determined by applying an appropriate market indication of the Company's borrowing capabilities and the corporate income tax rate applicable to each asset group's jurisdiction. Gold price estimates were determined using forecasts of future prices prepared by industry analysts, which were available as at or close to the valuation date. Foreign exchange estimates are based on a combination of currency forward curves and estimates that reflect the outlooks of major global financial institutions. Estimated production volumes are based on detailed life of mine plans and also take into account management's expected development plans. The production volumes used were consistent with the Company's mineral reserve and mineral resource estimates and in certain circumstances, include expansion projects. Assumptions are also made related to the valuation of mineral resources beyond what is included in the life of mine plans including determining the appropriate valuation method for mineralization and ascribing anticipated economics to mineralization in cases where no comprehensive economic study has been completed.

25. INCOME AND MINING TAXES

Income and mining taxes expense is made up of the following components:

	Year Ended December 31,	
	2018	2017
Current income and mining taxes	$ 98,610	$ 87,639
Deferred income and mining taxes:		
Origination and reversal of temporary differences	(30,961)	10,855
Total income and mining taxes expense	$ 67,649	$ 98,494

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,	
	2018	2017
Combined federal and composite provincial tax rates	26%	26%
Expected income tax expense (recovery) at statutory income tax rate	$ (67,354)	$ 88,215
Increase (decrease) in income and mining taxes resulting from:		
Mining taxes	42,991	40,886
Impact of foreign tax rates	(11,308)	(7,915)
Permanent differences	(3,599)	(4,813)
Impairment not tax deductible	100,736	–
Impact of foreign exchange on deferred income tax balances	6,183	(17,879)
Total income and mining taxes expense	$ 67,649	$ 98,494

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

	As at December 31, 2018	As at December 31, 2017
Mining properties	$ 1,056,185	$ 1,089,751
Net operating and capital loss carry forwards	(87,025)	(97,946)
Mining taxes	(72,637)	(75,238)
Reclamation provisions and other liabilities	(99,815)	(89,226)
Total deferred income and mining tax liabilities	$ 796,708	$ 827,341

	Year Ended December 31,	
	2018	2017
Deferred income and mining tax liabilities – beginning of year	$ 827,341	$ 819,562
Income and mining tax impact recognized in net income	(30,671)	10,181
Income tax impact recognized in other comprehensive income (loss) and equity	38	(2,402)
Deferred income and mining tax liabilities – end of year	$ 796,708	$ 827,341

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, 2018	As at December 31, 2017
Net capital loss carry forwards	$ 74,364	$ 54,503
Other deductible temporary differences	270,590	265,919
Unrecognized deductible temporary differences and unused tax losses	$ 344,954	$ 320,422

The Company also has unused tax credits of $12.7 million as at December 31, 2018 (December 31, 2017 – $12.9 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 $285.7 million (2017 – $474.9 million) of taxable temporary differences associated with its investments in subsidiaries for which deferred income tax has not been recognized, as the Company is able to control the timing of the reversal of the taxable temporary differences and it is probable that they will not reverse in the foreseeable future.

The Company is subject to taxes in Canada, Mexico and Finland, each with varying statutes of limitations. Prior taxation years generally remain subject to examination by applicable taxation authorities.

26. EMPLOYEE BENEFITS AND COMPENSATION OF KEY MANAGEMENT PERSONNEL

During the year ended December 31, 2018, employee benefits expense was $596.7 million (2017 – $526.8 million). In 2018, related party transactions consisted of the Company's acquisition of the CMC Exploration Assets (Note 5) and compensation of key management personnel. In 2017, there were no related party transactions other than compensation of key management personnel. Key management personnel include the members of the Board and the senior leadership team.

The following table sets out the compensation of key management personnel:

	Year Ended December 31,	
	2018	2017
Salaries, short-term incentives and other benefits	$ 14,701	$ 13,852
Post-employment benefits	1,984	1,928
Share-based payments	20,440	16,331
Total	$ 37,125	$ 32,111

27. 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, 2018, the total amount of these guarantees was $358.9 million.

Certain of the Company's properties are subject to royalty arrangements. Set out below are the Company's 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 is required quarterly one month in arrears. The Company has a buyout option to repurchase the royalty for aggregate consideration of $5.0 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 2.0% net smelter return royalties on the LaRonde Zone 5 mine in Quebec, Canada.
- The Company is committed to pay a 12.0% net profits interest royalty on production from the Meadowbank mine in Nunavut, Canada.
- The Company is committed to pay a royalty on production from certain properties in Mexico. The type of royalty agreements include, but are not limited to, net smelter return royalties, with percentages ranging from 2.5% to 3.5% at the Pinos Altos and Creston Mascota mines and 0.5% at the La India mine.

The Company regularly enters into various earn-in and shareholder agreements, often with commitments to pay net smelter return and other royalties.

The Company had the following purchase commitments as at December 31, 2018, of which $90.4 million related to capital expenditures:

		Purchase Commitments
2019	$	67,568
2020		25,916
2021		5,559
2022		3,481
2023		453
Thereafter		1,625
Total	$	104,602

28. ONGOING LITIGATION

On August 2, 2016, the Partnership, a general partnership jointly owned by the Company and Yamana, was served with a class action lawsuit filed in the Superior Court of Quebec with respect to allegations involving the Canadian Malartic mine. The complaint is in respect of "neighbourhood annoyances" arising from dust, noise, vibrations and blasts at the mine. The plaintiffs are seeking damages in an unspecified amount as well as punitive damages in the amount of C$20 million. The class action was certified in May 2017. In November 2017, a declaratory judgment was issued allowing the Partnership to settle individually with class members for 2017 under its Good Neighbor Guide (the "Guide"). In September 2018, the Superior Court introduced an annual revision of the ending date of the class action period and a mechanism for the partial exclusion of class members, allowing the residents to individually settle for a specific period (usually a calendar year) and to opt-out from the class action for such specific period. Both of these judgments were confirmed by the Court of Appeal and the class members will thus continue to have the option to benefit from the Guide. In January 2018, a judgment was rendered in favor of the Partnership, resulting in the removal from the class action of the pre-transaction period, spanning from August 2013 to June 16, 2014, during which the Canadian Malartic mine was not operated by the Partnership. The plaintiff did not seek leave to appeal this decision and will rather add new allegations in an attempt to recapture the pre-transaction period. 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 had been filed under the Environment Quality Act (Quebec). A hearing related to an interlocutory injunction was completed on March 17, 2017 and a decision of the Superior Court of Quebec dismissed the injunction. An application for permanent injunction is currently pending. 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. These measures include a motion for the dismissal of the application for injunction, which has been filed and will be heard at a date that has yet to be determined. While at this time the potential impact 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.

On June 1, 2017, the Partnership was served with an application for judicial review to obtain the annulment of a governmental decree authorizing expansion of the Canadian Malartic mine. The Partnership is an impleaded party in the proceedings. The Company and the Partnership have reviewed the application for judicial review, consider the application without merit and will take all reasonable steps to defend against this application. The hearing on the merits occurred in

October 2018, but no judgment has been rendered. While the Company believes it is highly unlikely that the annulment will be granted, the Company expects that if the annulment were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in anticipated future production.

29. SUBSEQUENT EVENTS

Dividends Declared

On February 14, 2019, Agnico Eagle announced that the Board approved the payment of a quarterly cash dividend of $0.125 per common share (a total value of approximately $29.4 million), paid on March 15, 2019 to holders of record of the common shares of the Company on March 1, 2019.

QuickLinks

Exhibit 99.2

MANAGEMENT CERTIFICATION
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
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 INCOME (LOSS) (thousands of United States dollars, except per share amounts)
AGNICO EAGLE MINES LIMITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (thousands of United States dollars)
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)

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 99.3

Management's Discussion and Analysis

For the year ended December 31, 2018

(Prepared in accordance with International Financial Reporting Standards)



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This Management's Discussion and Analysis ("MD&A") dated March 26, 2019 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, 2018 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, 2018 (the "AIF"), is available on the Canadian Securities Administrators' (the "CSA") SEDAR website at www.sedar.com and on the United States Securities and Exchange Commission's (the "SEC") website at www.sec.gov.

NOTE TO INVESTORS CONCERNING FORWARD-LOOKING INFORMATION

Certain statements in this MD&A, referred to herein as "forward-looking statements", constitute "forward-looking information" under the provisions of Canadian provincial securities laws and constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, the Company's plans, objectives, expectations, estimates, beliefs, strategies and intentions and can generally be identified by the use of words such as "anticipate", "believe", "budget", "could", "estimate", "expect", "forecast", "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 2019 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 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.

Unless otherwise expressly stated, milestones set out in this MD&A have not been based on a technical report under NI 43-101 (as defined below).

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

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

The mineral reserve and mineral resource estimates contained in this MD&A have been prepared in accordance with the 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 SEC's 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.

Mineral resources that are not mineral reserves do not have demonstrated economic validity.

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

This MD&A 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 MD&A 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 (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income 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.

Unless otherwise indicated herein all references to total cash costs per ounce and all-in sustaining costs per ounce refer to such measures as calculated on a by-product basis. For information regarding these measures as calculated on a co-product basis, please see "Non-GAAP Financial Performance Measures".

Payable production (a non-GAAP non-financial performance measure) is the quantity of mineral produced during a period contained in products that have been or will be sold by the Company, whether such products are sold during the period or held as inventories at the end of the period.

Executive Summary

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since its formation in 1972. The Company's mines are located in Canada, Mexico and Finland, with exploration and development activities in Canada, Europe, Latin America and the United States. The Company and its shareholders have full exposure to gold prices due to its long-standing policy of no forward gold sales. Agnico Eagle has declared a cash dividend every year since 1983.

Agnico Eagle earns a significant proportion of its revenue and cash flow from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of by-product metals, primarily silver, zinc and copper. In 2018, Agnico Eagle recorded production costs per ounce of gold of $713 and total cash costs per ounce of gold produced of $637 on a by-product basis and $710 on a co-product basis on payable gold production of 1,626,669 ounces. The average realized price of gold increased by 0.4% from $1,261 per ounce in 2017 to $1,266 per ounce in 2018.

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 1,626,669 ounces and production costs per ounce of gold of $713 during 2018.
- Total cash costs per ounce of gold produced of $637 on a by-product basis and $710 on a co-product basis in 2018.
- All-in sustaining costs per ounce of gold produced of $877 on a by-product basis and $950 on a co-product basis in 2018.
- Proven and probable gold reserves totaled 22.0 million ounces at December 31, 2018, a 7.2% increase compared with 20.6 million ounces at December 31, 2017 while the gold reserve grade increased by 8.4%.
- As at December 31, 2018, Agnico Eagle had strong liquidity with $307.9 million in cash and cash equivalents and short-term investments along with approximately $1.2 billion in undrawn credit lines.
- The Company's operations are located in mining-friendly regions that the Company believes have low political risk and long-term mining potential.
- The Company continues to maintain its investment grade credit rating and has adequate financial flexibility to finance capital requirements at its mines and development projects from operating cash flow, cash and cash equivalents, short-term investments and undrawn credit lines.
- The Company has strong senior management continuity as its Chief Executive Officer has over 30 years of service with the Company.
- In February 2019, the Company declared a quarterly cash dividend of $0.125 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 market expectations and maintaining high *performance* standards in health, safety, environment and community development;
- Build a strong *pipeline* of projects to drive future production; and
- 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 oldest 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, under current mine plans, is expected to be in production through 2025.

In 2018, approximately 800,000 ounces of gold (3.2 million tonnes grading 7.94 g/t gold) at LaRonde 3, between level 311 (a depth of 3.1 kilometres) and level 340 (a depth of 3.4 kilometres), was converted from mineral resources to mineral reserves. Development plans are underway to deepen the ramp to access this portion of the mine while engineering and construction work for ventilation and cooling of the deeper portion of the mine are ongoing.

Following the successful deployment of the Long-Term Evolution ("LTE") network at the LaRonde Zone 5 mine, an LTE network was deployed at the LaRonde mine below level 269 in the fourth quarter of 2018. Extension of the network in the ramp area from level 269 to surface and at LaRonde 3 will take place throughout 2019. The LTE network will facilitate the integration of automation technologies currently being tested at the LaRonde Zone 5 mine which are expected to allow the Company to maintain similar historical productivity levels at LaRonde 3.

An exploration program is also underway at Zone 6 where drilling has encountered encouraging massive sulphide mineralization. Zone 6 is located approximately 200 metres north of, and parallel to LaRonde 3.

The LaRonde mine's proven and probable mineral reserves were approximately 3.1 million ounces at December 31, 2018.

Canada – LaRonde Zone 5 Mine

In 2003, the Company acquired the Bousquet gold property, which adjoins the LaRonde complex to the west and hosts the Bousquet Zone 5, which the Company has renamed LaRonde Zone 5 due to the proximity to the LaRonde mine. The LaRonde Zone 5 mine was approved for development in February 2017 and full permits were received in 2017. Commercial production at LaRonde Zone 5 was achieved in June 2018 and under current mine plans, is expected to be in production through 2026.

In 2018, the mine achieved its designed production rate of 1,975 tonnes per day with lower than expected dilution and slightly higher than expected mill recoveries. The Company is evaluating the potential to extend operations at depth and along strike onto the Company's 100% owned Ellison property, which adjoins the LaRonde Zone 5 mine to the west. The Ellison property hosts an indicated mineral resource of 68,000 ounces of gold (665,000 tonnes grading 3.19 g/t gold) as of December 31, 2018.

The LaRonde Zone 5 proven and probable mineral reserves were approximately 0.7 million ounces at December 31, 2018.

Canada – Lapa Mine

Commercial production was achieved at the 100% owned Lapa mine in northwestern Quebec in May 2009. Mining operations at the Lapa mine continued through 2018 intermittently and ore from the LaRonde Zone 5 mine was being batch processed at the Lapa mill circuit at the LaRonde mine since June 2018.

As of December 31, 2018, all mining operations at Lapa have ceased and no further production is expected in 2019 and beyond. As a result, the Lapa mill circuit at the LaRonde complex is now fully available to process ore from the LaRonde Zone 5 mine. Closure activities for the underground infrastructure are currently underway with surface work expected to begin in the second quarter of 2019.

Canada – Goldex Mine

The 100% owned Goldex mine in northwestern Quebec achieved commercial production from the M and E satellite zones in October 2013. The Deep 1 Zone achieved commercial production in July 2017. Production from the Deep 1 Zone is expected to extend the Goldex mine life through 2025 under current mine plans.

In 2018, the exploration ramp for the Deep 2 Zone was extended to below the 125 level. Work on the exploration ramp for the Deep 2 Zone has now been put on hold to focus on further stope development at the Deep 1 Zone and additional development in the South Zone which is accessible from the Deep 1 Zone infrastructure. The South Zone consists of quartz

veins that have higher grades than those in the primary mineralized zones at Goldex. The Company is evaluating the potential for the South Zone to provide incremental ore feed to the Goldex mill.

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 will create flexibility and synergies for the Company's operations in the Abitibi region by enabling the use of extra milling capacity at both Goldex and LaRonde while reducing overall unit costs. The Company continues to review the timeline for the integration of the Akasaba West deposit into the Goldex production profile.

The Akasaba West deposit's proven and probable mineral reserves were approximately 0.1 million ounces at December 31, 2018.

The Goldex mine's proven and probable mineral reserves were approximately 1.0 million ounces at December 31, 2018.

Canada – Canadian Malartic Mine

Agnico Eagle and Yamana Gold Inc. ("Yamana") jointly acquired 100% 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% of Osisko and Canadian Malartic General Partnership ("CMGP"), a general partnership (the "Partnership"), which now holds the Canadian Malartic mine in northwestern Quebec.

The Partnership is evaluating the potential for underground mining of the Odyssey and East Malartic deposits from surface to a depth of 600 metres. These deposits could provide higher grade ore that could potentially supplement open pit production at Canadian Malartic. On a 50% basis, Odyssey contains inferred mineral resources of 809,000 ounces of gold (11.5 million tonnes grading 2.19 g/t gold) and East Malartic has indicated mineral resources of 361,000 ounces of gold (5.3 million tonnes grading 2.13 g/t gold) and inferred mineral resources of 1.4 million ounces of gold (22.0 million tonnes grading 1.98 g/t gold). Drilling is ongoing to extend and upgrade the mineral resources in these zones. A permit and Certificate of Authorization were received in December 2018, which allow for the development of an underground ramp at Odyssey. The development of the ramp will provide access for underground drilling and collection of a bulk sample. The goal of the underground development program is to provide higher grade feed to the Canadian Malartic mill and extend the current mine life. Exploration programs are ongoing to evaluate several deposits to the east of the Canadian Malartic open pit, including the Odyssey, East Malartic, Sladen and Sheehan zones.

On April 19, 2017, the Government of Quebec announced the issuance of two decrees authorizing the Partnership to carry out the proposed expansion of the Canadian Malartic mine and the deviation of Highway 117 in Malartic, which will allow the Partnership to access the Barnat deposit. Deviation plans included a temporary bridge over Highway 117 to minimize the impact of the construction work on local traffic. During 2018, work was primarily focused on the Highway 117 road diversion, overburden stripping and tailings expansion. The highway diversion is expected to be completed in late 2019 at which point, the production activities at Barnat are scheduled to begin.

On August 2, 2016, CMGP was served with a class action lawsuit filed in the Superior Court of Quebec with respect to allegations involving the Canadian Malartic mine. The complaint was in respect of "neighbourhood annoyances" arising from dust, noise, vibrations and blasts at the mine. The plaintiffs are seeking damages in an unspecified amount as well as punitive damages in the amount of C$20 million. The class action was certified in May 2017. In November 2017, a declaratory judgment was issued allowing the Partnership to settle individually with class members for 2017 under its Good Neighbor Guide (the "Guide"). In September 2018, the Superior Court introduced an annual revision of the ending date of the class action period and a mechanism for the partial exclusion of class members, allowing the residents to individually settle for a specific period (usually a calendar year) and to opt-out from the class action for such specific period. Both of these judgments were confirmed by the Court of Appeal and the class members will thus continue to have the option to benefit from the Guide. In January 2018, a judgment was rendered in favor of the Partnership, resulting in the removal from the class action of the pre-transaction period, spanning from August 2013 to June 16, 2014, during which the Canadian Malartic mine was not operated by the Partnership. The plaintiffs did not seek leave to appeal this decision and will rather add new allegations in an attempt to recapture the pre-transaction period. 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 had been filed under the *Environment Quality Act* (Quebec). A hearing related to an interlocutory injunction was completed on March 17, 2017 and a decision of the Superior Court of Quebec dismissed the injunction. An application for permanent injunction is currently pending. 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. These measures include a motion for the dismissal of the application for injunction, which has been filed and will be heard at a date that has yet to be determined. While at this time the potential impact 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.

On June 1, 2017, the Partnership was served with an application for judicial review to obtain the annulment of a governmental decree authorizing expansion of the Canadian Malartic mine. The Partnership is an impleaded party in the proceedings. The Company and the Partnership have reviewed the application for judicial review, consider the application without merit and will take all reasonable steps to defend against this application. The hearing on the merits occurred in October 2018, but no judgment has been rendered. While the Company believes it is highly unlikely that the annulment will be granted, the Company expects that if the annulment were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in anticipated future production.

As part of ongoing stakeholder engagement, the Partnership is in discussions with four First Nations groups concerning a potential memorandum of understanding, which is expected to also include a financial component. As with the Good Neighbour Guide and other community relations efforts at the Canadian Malartic mine, the Company is working collaboratively with stakeholders to establish cooperative relationships that support the long-term potential of the mine.

Agnico Eagle's attributable share of proven and probable mineral reserves at the Canadian Malartic mine were approximately 2.8 million ounces at December 31, 2018.

Canada – Kirkland Lake Assets

On March 28, 2018, the Company acquired 100% of the Canadian exploration assets (the "CMC Exploration Assets") of Canadian Malartic Corporation ("CMC"), including the Kirkland Lake and Hammond Reef gold projects for an effective purchase price of $162.5 million. On the closing of the transaction, Agnico acquired all of Yamana's indirect 50% interest in the CMC Exploration Assets, giving Agnico Eagle 100% ownership. The transaction did not affect the ownership of the Canadian Malartic mine and related assets including Odyssey, East Malartic, Midway and East Amphi properties, which will continue to be jointly owned and operated by the Company and Yamana through CMC and the Partnership.

The land package that makes up the Kirkland Lake project was formerly owned by a succession of junior exploration companies. A $5.6 million exploration program on the Kirkland Lake project was carried out from July to December 2018. The total drilling in 2018 on this project consisted of 37 diamond drill holes (19,505 metres), of which 7,285 metres were to extend the Upper Beaver deposit at depth as well as explore for new, near-surface mineralization and 12,220 metres tested satellite targets around the Upper Canada deposit.

In 2019, the Company expects to spend $5.8 million to follow up on the recent positive exploration results and data compilation at the Kirkland Lake project. This will include a 16,500 metre exploration drill program targeting the Upper Beaver deposit area as well as mineralized zone extensions at Upper Canada, including the newly-expanded Northland Zone. The drilling and additional studies in 2019 are expected to result in a new mineral resource estimate at the end of 2019.

Upper Beaver deposit's proven and probable mineral reserves were approximately 1.4 million ounces at December 31, 2018. No proven and probable mineral reserves have been declared for the Upper Canada or the Hammond Reef projects.

Canada – Meadowbank Complex (Including the Meadowbank Mine and Amaruq Satellite Deposit)

In 2007, the Company acquired Cumberland Resources Ltd., which held a 100% interest in the Meadowbank gold project in Nunavut, Canada. Commercial production was achieved at the Meadowbank mine in March 2010.

Production will extend into 2019 at the Meadowbank mine, which bridges the gap between the cessation of mining activities at the Meadowbank mine and the expected start of operations at the Amaruq satellite deposit in the third quarter of 2019. The additional production comes from an extension of the mine plan at the Portage pit in 2019. In addition, production will be supplemented by ore from the Vault pit and by ore processed from stockpiles.

The 100% owned Amaruq satellite deposit is located approximately 50 kilometres northwest of the Meadowbank mine. In 2016, the Company approved the project for development pending the receipt of the required permits. On March 22, 2018, the Company filed a new National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report for the Meadowbank Complex.

On July 11, 2018, the Minister of Crown-Indigenous Relations and Northern Affairs Canada (formerly Indigenous and Northern Affairs Canada) approved Agnico Eagle's Type A Water Licence for the Whale Tail pit, which was issued by the Nunavut Water Board on May 30, 2018. This approval authorized the Company to commence mine development activities on the Whale Tail pit.

In late July 2018, the Company began construction activities at the Amaruq satellite deposit. Work carried out during 2018 included:

- completion of the secant wall at the Whale Tail dyke with the grout curtain now 90% complete. Installation of the pumping system including the water treatment plant, which was necessary to start the dewatering in February 2019;
- continuation of Whale Tail pit stripping activities, with the first ore being mined and stockpiled;
- commissioning of the long-haul truck fleet;
- completion of the production road widening;
- construction on the Mammoth waste rock storage facility and the Northeast dykes;
- continuation of the infrastructure work on the permanent camp at the Amaruq satellite deposit and advancing work on the mechanical shop and emulsion storage building;
- continuation of the modifications to the process plant at Meadowbank; 99% of the structural work was completed as of December 31, 2018 including completion of the gravity concentrators and high-intensity grinding mill; and
- completion of a new sulphur dioxide (SO_2) plant (used in the cyanide destruction process), with commissioning in early January 2019.

Commercial production is currently forecast to be achieved in the third quarter of 2019. Work is ongoing to evaluate the potential for an underground operation at the Amaruq satellite deposit, which could run partially concurrent with the open pit mine that is currently under development. A production decision for the Amaruq underground project is expected to be made late in 2019.

The Whale Tail expansion permitting process for open pit mining activities at the V Zone and the underground commenced on October 15, 2018, with a submission of a Project Description to the Nunavut Planning Commission for screening. The Company subsequently received a positive notice indicating that the proposal conforms to the Land Use Plan. The Environmental Assessment addendum related to the Whale Tail expansion will be submitted to the Nunavut Impact Review Board in accordance with the permitting process. The Company anticipates the issuance of the permits in late 2020.

The Company is also waiting for approval for the permit required to allow for in-pit tailings disposal. Receipt of this permit is expected in the second quarter of 2019.

The Meadowbank Complex's proven and probable mineral reserves were approximately 3.0 million ounces at December 31, 2018.

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, the Company's Board of Directors ("Board") approved the construction of the Meliadine mine project. The forecast production and other parameters surrounding the Company's proposed Meliadine operations were based on a preliminary economic assessment, which is preliminary in nature and includes inferred mineral resources that are too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the forecast production amounts will be realized. The results of the preliminary economic assessment had no impact on the results of any pre-feasibility or feasibility study in respect of the Meliadine mine project. For a summary of the key estimates and parameters of the Meliadine project, see the Company's Annual Information Form dated March 27, 2017, filed with Canadian securities regulatory authorities on www.sedar.com, under the heading "Operations and Production – Northern Business – Meliadine – Expenditures".

As of December 31, 2018, the majority of construction activities were completed. The total initial capital cost of the Meliadine mine project is expected to be below the 2018 forecast of $900.0 million due to strong project execution. In 2018, the

Company spent approximately $388.7 million on capital expenditures at the Meliadine mine project. The net development capital spending in 2019 at the Meliadine mine project is now forecast to be approximately $33.0 million.

Given the progress of construction and development activities in 2018, commissioning of the process plant began in the first quarter of 2019, with the expected achievement of commercial production early in the second quarter of 2019. In 2018, approximately 8,655 meters of underground development were completed and three underground stopes have been blasted and mucked out. Under current mine plans, the mine is expected to be in production through 2032.

Exploration activities resumed at the Meliadine mine project early in 2018 with the focus on extending the existing resource of the Tiriganiaq deposit. Total exploration drilling in 2018 consisted of 29 holes (12,022 metres) and conversion drilling consisted of 34 holes (18,716 metres). The conversion drill program resulted in an increase of both the indicated mineral resources and the probable mineral reserves of the Tiriganiaq deposit.

In 2019, the Company plans to continue the conversion drilling program, with 7,500 metres of drilling in areas classified as inferred mineral resources located below the mineral reserves at the Tiriganiaq deposit and 5,000 metres of drilling at the Wesmeg deposit. The 2019 exploration drilling program has a budget of 10,000 metres of drilling to continue investigating the Tiriganiaq deposit and to test the mineralization extending at depth to the west of the deposit.

The Meliadine mine project had proven and probable mineral reserves of approximately 3.8 million ounces at December 31, 2018.

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 considered the potential to increase throughput rates at Kittila to 2.0 million tonnes per annum ("mtpa") from the current rate of 1.6 mtpa. Based on this review, the Board approved the expansion in February 2018 which includes the construction of a 1,044 metre deep shaft, a processing plant expansion as well as other infrastructure and service upgrades.

The expansion project is expected to increase the efficiency of the mine and decrease or maintain current operating costs while providing access to the deeper mining horizons. In addition, the shaft is expected to provide access to the mineral resource areas below 1,150 metres, where recent exploration programs have shown promising results.

In 2018, the expansion project advanced as planned. Phase 1 of the mill expansion was completed in the fourth quarter of 2018. The shaft project continued to progress with detailed engineering work started. Shaft slashing was delayed during the fourth quarter of 2018 as a result of contractor availability and late regulatory approval. Shaft slashing began in January 2019 with the construction of the head frame expected to begin in the third quarter of 2019. The total capital cost for the expansion project remains unchanged at approximately €160 million (approximately $189 million at current exchange rates) with phased expenditures between 2019 and 2021.

Ongoing drilling activity at Kittila has demonstrated the ability to add mineral reserves and mineral resources at depth. With the approved expansion, the proven and probable reserves have increased and the new shaft is expected to unlock additional exploration potential in the deeper portions of the mine (between 1,150 metres and 1,400 metres).

Exploration at the Kittila mine continued with the deep drilling in the Roura area and the focus on the Main Zone and Sisar Zone. The Sisar Zone, which is subparallel to and slightly east of the main Kittila mineralization, has been located between approximately 775 metres and 1,910 metres below surface, forming a roughly triangular shape that remains open at depth and along strike to the north and south. Mineral reserves in the Sisar Zone form part of the total Kittila mineral reserve estimate. The 2019 exploration program is budgeted at $9.0 million including 34,000 metres of drilling, focused on the Roura and Rimpi Main Zones and the Sisar Zone.

Proven and probable mineral reserves at the Kittila mine were approximately 4.4 million ounces at December 31, 2018.

Southern Business

Mexico – Pinos Altos Mine

In 2006, the Company completed the acquisition of the Pinos Altos property, which was then an advanced stage exploration property in northern Mexico. Commercial production was achieved at the Pinos Altos mine in November 2009. A shaft

sinking project was completed in June 2016 at the Pinos Altos mine and during 2018, the site transitioned into a predominantly underground mining operation. Open pit mining activity is expected to resume in the second half of 2019 at the El Apache deposit.

Several satellite mining opportunities exist around the Pinos Altos mine that are being evaluated for their incremental production potential:

- the Sinter deposit, located approximately 2 kilometres northwest of the Pinos Altos mine, will be mined from underground and a small open pit. Portal and ramp development commenced in 2018, with initial production expected to begin in the first quarter of 2019;

- the Cubiro deposit is an underground exploration opportunity, located approximately 9 kilometres northwest of the Pinos Altos mine, envisioned to potentially produce high grade ore that will be trucked to the Pinos Altos processing facilities as early as 2022. Ramp development began in the third quarter of 2018 and 300 metres of underground development was completed in 2018. Underground exploration and mineral resource conversion drilling are expected to commence later in 2019; and

- the Reyna de Plata deposit is located north of the Pinos Altos mine. During 2018, a 15,000 metre drill program was completed with initial mineral reserves of 72,000 ounces of gold declared in February 2019 (2.3 million tonnes grading 0.96 g/t gold and 29.3 g/t silver) which form a part of the Pinos Altos mine's estimate of mineral reserves.

The Pinos Altos mine's proven and probable mineral reserves (including satellite deposits) were approximately 1.2 million ounces at December 31, 2018.

Mexico – Creston Mascota Mine

The 100% owned Creston Mascota mine is located approximately 7 kilometres northwest of the Pinos Altos mine in northern Mexico. First mining activity commenced at the Creston Mascota deposit in 2010 and commercial production was achieved at the mine in March 2011. During 2017, the Bravo zone located south of the Creston Mascota facilities was added to the mine plan. Construction activities continued through 2018 and mining at the main Bravo zone began in the third quarter of 2018.

The Phase V heap leach pad expansion, which is an extension to the existing facility, was completed in the fourth quarter of 2018 and the Calera waste rock dump was developed close to the Bravo pit to reduce waste haulage costs. Mining activities at the Creston Mascota mine are expected to be completed at the Bravo zone in the fourth quarter of 2019 and then transition into a residual heap leaching operation.

The Creston Mascota mine's proven and probable mineral reserves were approximately 0.1 million ounces at December 31, 2018.

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 were approved by the Board and commercial production was achieved in February 2014.

Optimization work on the absorption, desorption and recovery plant and commissioning of the carbon regeneration kiln were completed in the third quarter of 2018. Construction of a new heap leach pad expansion commenced late in the fourth quarter of 2018 with the completion expected early in the second quarter of 2019. The permitting process for the new power line is in progress with construction expected to start later in 2019.

During 2018, drilling was carried out on the Main Zone to evaluate the potential to extend mineralization below the current pit design and to explore opportunities to extend mineralization outside the currently planned pit limits. Drilling was also carried out at the nearby El Realito and La Chipriona satellite zones. These areas are currently being drilled to better define and extend known mineral resources in close proximity to the current mining areas which could supplement the ore feed in the future. The first proven and probable reserves at the El Realito satellite deposit and first inferred resources at the La Chipriona deposit were declared in February 2019.

The La India mine's proven and probable mineral reserves (including satellite deposits) were approximately 0.6 million ounces at December 31, 2018.

Mexico – Santa Gertrudis Project

In November 2017, the Company acquired its 100% interest in the Santa Gertrudis property which is located approximately 180 kilometers north of Hermosillo in Sonora, Mexico.

The property was the site of historic heap leach operations that produced approximately 565,000 ounces of gold at a grade of 2.10 g/t gold between 1991 and 2000. The project also has a substantial surface infrastructure already in place including pre-stripped pits, haul roads, water sources and buildings.

Three favorable geological trends with a potential strike length of 18 kilometers have been identified on the property with limited drilling between deposits. In addition, the Company's prospecting identified high-grade mineralization along northeast-trending structures. During 2018, a total of 193 diamond drill holes (31,127 meters) were completed in several zones to validate and confirm the majority of the historical mineral resource estimates, leading to the estimation of an initial inferred mineral resource of 962,000 ounces of gold (27.5 million tonnes grading 1.09 g/t gold) at December 31, 2018.

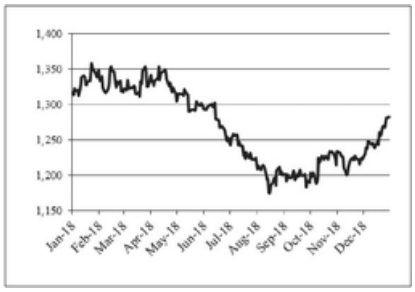
Key Performance Drivers

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

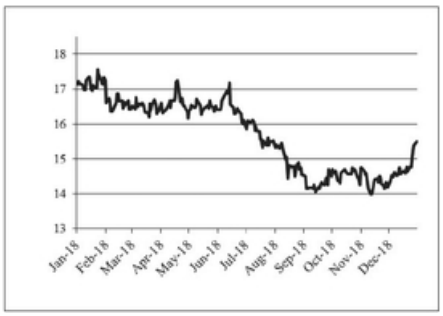
GOLD ($ per ounce)



	2018	2017	% Change
High price	$1,366	$1,358	0.6%
Low price	$1,160	$1,146	1.2%
Average price	$1,269	$1,258	0.9%
Average price realized	$1,266	$1,261	0.4%

In 2018, the average market price per ounce of gold was 0.9% higher than in 2017. The Company's average realized price per ounce of gold in 2018 was 0.4% higher than in 2017.

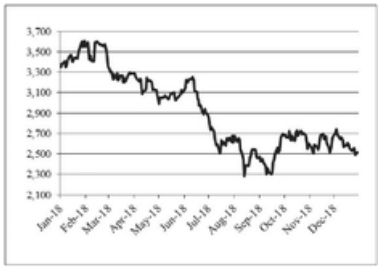
SILVER ($ per ounce)



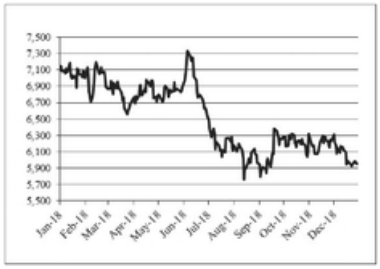
	2018	2017	% Change
High price	$17.71	$18.66	(5.1)%
Low price	$13.89	$15.19	(8.6)%
Average price	$15.71	$17.07	(8.0)%
Average price realized	$15.51	$17.07	(9.1)%

In 2018, the average market price per ounce of silver was 8.0% lower than in 2017. The Company's average realized price per ounce of silver in 2018 was 9.1% lower than in 2017.

ZINC ($ per tonne)



COPPER ($ per tonne)



Agnico Eagle's average realized sales price year-over-year for zinc increased by 7.2% and the average realized sales price for copper year-over-year increased by 3.1%. Significant quantities of by-product metals are produced by the LaRonde mine (silver, zinc and copper) and the Pinos Altos mine (silver).

Net by-product (primarily silver, zinc and copper) revenue is treated as a reduction of production costs in calculating total cash costs per ounce of gold produced on a by-product basis and all-in sustaining costs per ounce of gold produced on a by-product basis.

The Company has never sold gold forward, allowing the Company to take full advantage of rising gold prices. Management believes that low cost production is the best protection against a decrease in gold prices.

Production Volumes and Costs

Changes in production volumes have a direct impact on the Company's financial results. Total payable gold production was 1,626,669 ounces in 2018, a decrease of 5.1% compared with 1,713,533 ounces in 2017. The decrease was primarily due to lower amounts of ore processed and lower gold grades at the Meadowbank and Creston Mascota mines in 2018 compared to 2017. Partially offsetting the overall decrease in gold production was an increase in tonnes processed at the LaRonde Zone 5 mine, which achieved commercial production in June 2018.

Production costs are discussed in detail in the *Results of Operations* section below.

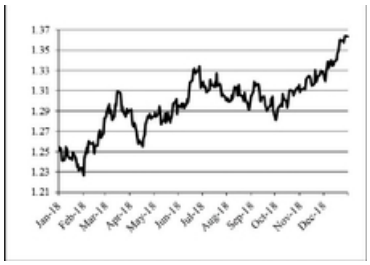
Foreign Exchange Rates (Ratio to US$)

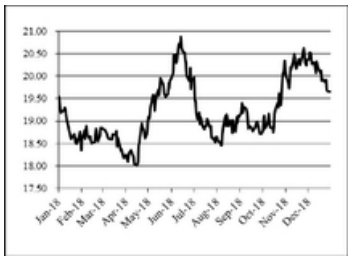
The exchange rate of the Canadian dollar, Mexican peso and Euro relative to the US dollar is an important financial driver for the Company for the following reasons:

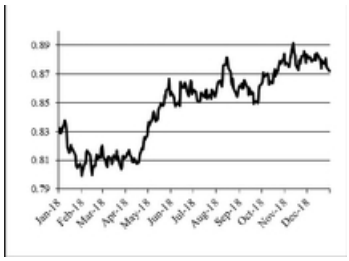
- all revenues are earned in US dollars;
- a significant portion of operating costs at the LaRonde, LaRonde Zone 5, Goldex, Meadowbank and Canadian Malartic mines and mine construction costs at the Amaruq satellite deposit and the Meliadine mine project are incurred in Canadian dollars;
- a significant portion of operating costs at the Pinos Altos, Creston Mascota and La India mines are incurred in Mexican pesos; and
- a significant portion of operating costs at the Kittila mine are incurred in Euros.

The Company mitigates part of its foreign currency exposure by using currency hedging strategies.

CANADIAN DOLLAR **MEXICAN PESO** **EURO**







On average, the Canadian dollar and Euro strengthened relative to the US dollar in 2018 compared with 2017, increasing costs denominated in the local currencies when translated into US dollars for reporting purposes. The Mexican peso weakened relative to the US dollar in 2018 compared with 2017, decreasing costs denominated in the local currency when translated into US dollars for reporting purposes.

Balance Sheet Review

Total assets at December 31, 2018 of $7,852.8 million decreased slightly compared to December 31, 2017 total assets of $7,865.6 million. The $12.8 million decrease in total assets between periods was primarily comprised of a $331.2 million decrease in cash and cash equivalents and a $289.0 million decrease in goodwill as a result of impairment losses, partially offset by a $607.8 million increase in property, plant and mine development. The December 31, 2016 balance of $7,108.0 million was lower compared to the total assets balance as at December 31, 2017, primarily due to a $520.5 million increase in property, plant and mine development between periods.

Cash and cash equivalents were $301.8 million at December 31, 2018, a decrease of $331.2 million compared with December 31, 2017 primarily due to $1,251.6 million in capital expenditures and acquisitions, $84.0 million in dividends paid and $30.1 million for the repurchase of common shares for stock-based compensation plans during 2018, partially offset by cash provided by operating activities of $605.7 million and the issuance of the 2018 Notes (as defined below) in an aggregate principal amount of $350.0 million.

Current inventory balances decreased by $6.8 million from $501.0 million at December 31, 2017 to $494.2 million at December 31, 2018 primarily due to a $42.5 million decrease in the current portion of ore in stockpiles and on leach pads, partially offset by an increase in fuel and supplies inventories in Nunavut in preparation for commercial production in 2019. Non-current ore in stockpiles and on leach pads increased by $47.2 million from $69.6 million at December 31, 2017 to $116.8 million at December 31, 2018 due to the reclassification from current inventory based on the expected timing of future processing.

Equity securities decreased from $122.8 million at December 31, 2017 to $76.5 million at December 31, 2018 primarily due to $38.3 million in unrealized fair value losses and $18.9 million in disposals, partially offset by $10.9 million in new investments during 2018.

Goodwill decreased from $696.8 million at December 31, 2017 to $407.8 million at December 31, 2018 due to an impairment loss of $250.0 million relating to the Canadian Malartic joint operation and an impairment loss of $39.0 million relating to the La India mine.

Property, plant and mine development increased by $607.8 million to $6,234.3 million at December 31, 2018 compared with December 31, 2017 primarily due to $1,089.1 million in capital expenditures and a $162.5 million increase due to the acquisition of the Canadian exploration assets of CMC in 2018. This increase was partially offset by amortization expense of $553.9 million and an impairment loss of $100.7 million during 2018 at the El Barqueño project.

Total liabilities increased to $3,302.8 million at December 31, 2018 from $2,918.6 million at December 31, 2017 primarily due to the issuance of $350.0 million guaranteed senior unsecured notes on April 5, 2018. Of the total $303.1 million increase in total liabilities between the December 31, 2016 balance of $2,615.5 million and the December 31, 2017 balance of $2,918.6 million, $169.2 million related to a net increase in long term debt and $80.8 million related to an increase in reclamation provisions.

Accounts payable and accrued liabilities increased by $19.9 million between December 31, 2017 and December 31, 2018 primarily due to expenditures related to the Company's ongoing development projects in Nunavut.

Net income taxes payable decreased by $2.3 million between December 31, 2017 and December 31, 2018 as a result of payments to tax authorities exceeding the current tax expense.

Long-term debt increased by $349.5 million between December 31, 2017 and December 31, 2018 due to the issuance of the 2018 Notes.

Agnico Eagle's reclamation provision increased by $30.9 million between December 31, 2017 and December 31, 2018 primarily due to the re-measurement of the Company's reclamation provisions by applying updated expected cash flows and assumptions as at December 31, 2018.

Deferred income and mining tax liabilities decreased by $30.6 million between December 31, 2017 and December 31, 2018 primarily due to the origination and reversal of net taxable temporary differences.

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. Notes:

(i) The Company has adopted IFRS 9 – *Financial instruments* ("IFRS 9") effective January 1, 2018 on a retrospective basis and the comparative amounts have been adjusted accordingly. For more information please see Note 3 in the Company's consolidated financial statements.

(ii) Adjusted net income is a non-GAAP measure. For a discussion of the Company's use of non-GAAP measures and a reconciliation to the nearest GAAP measure, see "Non-GAAP Financial Performance Measures".

Results of Operations

Agnico Eagle reported a net loss of $326.7 million, or $1.40 per share, in 2018 compared with net income of $240.8 million [(i)], or $1.05 per share[(i)], in 2017. In 2016, the Company reported net income of $158.8 million, or $0.71 per share. Agnico Eagle reported adjusted net income [(ii)] of $71.9 million, or $0.31 per share, in 2018 compared with adjusted net income of $233.8 million[(i)], or $1.02 per share [(i)], in 2017. In 2016, the Company reported adjusted net income of $109.5 million, or $0.49 per share. In 2018, operating margin (revenues from mining operations less production costs) decreased to $1,030.9 million from $1,184.8 million in 2017. In 2016, operating margin was $1,106.3 million.

Revenues from Mining Operations

Revenues from mining operations decreased by $51.4 million, or 2.3%, to $2,191.2 million in 2018 from $2,242.6 million in 2017 primarily due to a decrease in the sales volume of gold. Revenues from mining operations were $2,138.2 million in 2016.

Revenues from the Northern Business decreased by $51.7 million, or 2.9%, to $1,739.2 million in 2018 from $1,790.9 million in 2017 primarily due to a decrease in the sales volume of gold partially offset by higher sales prices realized

on gold. Revenues from the Southern Business increased by $0.3 million, or 0.1%, to $452.0 million in 2018 from $451.7 million in 2017, primarily due to higher sales prices realized on gold. Revenues from the Northern Business were $1,638.3 million and revenues from the Southern Business were $499.9 million in 2016.

Sales of precious metals (gold and silver) accounted for 98.4% of revenues from mining operations in 2018, a decrease from 99.3% in 2017 and 99.8% in 2016. The slight decrease in the percentage of revenues from precious metals compared with 2017 is primarily due to increased zinc production and higher sales prices realized on zinc and copper by-products.

The table below sets out revenues from mining operations, production volumes and sales volumes by metal:

	2018	2017	2016
	(thousands of United States dollars)		
Revenues from mining operations:			
Gold	$ 2,080,545	$ 2,140,890	$ 2,049,871
Silver	75,310	86,262	85,096
Zinc	14,397	9,177	1,413
Copper	20,969	6,275	1,852
Total revenues from mining operations	$ 2,191,221	$ 2,242,604	$ 2,138,232
Payable production[(i)]:			
Gold (ounces)	1,626,669	1,713,533	1,662,888
Silver (thousands of ounces)	4,524	5,016	4,759
Zinc (tonnes)	7,864	6,510	4,687
Copper (tonnes)	4,193	4,501	4,416
Payable metal sold:			
Gold (ounces)	1,629,785	1,693,774	1,630,865
Silver (thousands of ounces)	4,544	4,852	4,761
Zinc (tonnes)	8,523	6,316	3,554
Copper (tonnes)	4,195	4,599	4,522

Note:

(i) 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 decreased by $60.3 million or 2.8% in 2018 compared with 2017 primarily due to a 3.8% decrease in the sales volume of gold. The Company's sales volume of gold decreased to 1,629,785 ounces in 2018 compared to 1,693,774 ounces in 2017. This was partially offset by a 0.4% increase in the Company's average realized gold price per ounce to $1,266 in 2018 compared to $1,261 in 2017.

Revenues from silver decreased by $11.0 million or 12.7% in 2018 compared with 2017 primarily due to a 6.4% decrease in the sales volume of silver. In addition, the average realized silver price per ounce decreased by 9.1% to $15.51 in 2018 from $17.07 in 2017. Revenues from zinc increased by $5.2 million or 56.9% to $14.4 million in 2018 compared with $9.2 million in 2017 primarily due to a 34.9% increase in the sales volume of zinc and a 7.2% increase in the realized zinc price between periods. Revenues from copper increased by $14.7 million in 2018 compared with 2017 primarily due to a 3.1% increase in the realized copper price.

Production Costs

Production costs increased to $1,160.4 million in 2018 compared with $1,057.8 million in 2017 primarily due to higher production expenses at the LaRonde, Pinos Altos and LaRonde Zone 5 mines. Partially offsetting the overall increase was lower production expenses at the Lapa mine as the mine approached the end of operations. Production costs were $1,031.9 million in 2016.

The table below sets out production costs by mine:

	2018	2017	2016
	(thousands of United States dollars)		
LaRonde mine	$ 228,294	$ 185,488	$ 179,496
LaRonde Zone 5 mine	12,991	–	–
Lapa mine	27,870	38,786	52,974
Goldex mine	78,533	71,015	63,310
Meadowbank mine	211,147	224,364	218,963
Canadian Malartic mine (attributable 50.0%)	199,761	188,568	183,635
Kittila mine	157,032	148,272	141,871
Pinos Altos mine	138,362	108,726	114,557
Creston Mascota mine	37,270	31,490	27,341
La India mine	69,095	61,133	49,745
Total production costs	$ 1,160,355	$ 1,057,842	$ 1,031,892

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 $228.3 million in 2018, a 23.1% increase compared with 2017 production costs of $185.5 million primarily due to increased underground costs and slightly higher labour costs between periods and the timing of inventory sales. During 2018, the LaRonde mine processed an average of 5,775 tonnes of ore per day compared with 6,153 tonnes of ore per day during 2017. Production costs per tonne increased to C$139 in 2018 compared with C$108 in 2017 primarily due to the factors noted above. Minesite costs per tonne increased to C$119 in 2018 compared with C$108 in 2017 due to increased underground costs, slightly higher labour costs and lower throughput.

The LaRonde Zone 5 mine achieved commercial production in June 2018. During 2018, the LaRonde Zone 5 mine processed an average of 1,940 tonnes of ore per day and incurred production costs of $13.0 million. During 2018, ore from the LaRonde Zone 5 mine was only processed in the months of June, July, October and partly in November and December as the ore from the Lapa mine was being batch processed at the shared mill facility at the LaRonde mine. Production costs per tonne were C$76 and minesite costs per tonne were C$80 in 2018.

Production costs at the Lapa mine were $27.9 million in 2018, a 28.1% decrease compared with 2017 production costs of $38.8 million due to the decrease in underground mining and development costs in the final year of operations, partially offset by higher re-handling costs resulting from the processing of ore stockpiled in prior periods. During 2018, the Lapa mine processed an average of 1,808 tonnes of ore per day compared with 1,458 tonnes of ore per day processed during 2017; however, the overall throughput level was lower in 2018 relative to 2017. The decrease in throughput between periods was expected as the mine approached the end of operations. Production costs per tonne decreased to C$115 in 2018 compared with C$128 in 2017 primarily due to the factors noted above. Minesite costs per tonne increased to C$123 in 2018 compared with C$120 in 2017 due to the processing of ore stockpiled in prior periods.

Production costs at the Goldex mine were $78.5 million in 2018, a 10.6% increase compared with 2017 production costs of $71.0 million primarily due to an increase in underground production, maintenance, contractor and consumable costs between periods. During 2018, the Goldex mine processed an average of 7,192 tonnes of ore per day compared with

6,564 tonnes of ore per day processed during 2017. The increase in throughput between periods was primarily due to the exclusion of pre-production tonnes processed from the Deep 1 Zone reported during 2017. Production costs per tonne increased to C$39 in 2018 compared with C$38 in 2017 primarily due to the factors noted above, partially offset by higher throughput. Minesite costs per tonne increased to C$39 in 2018 compared with C$37 in 2017 primarily due to the factors noted above.

Production costs at the Meadowbank mine were $211.1 million in 2018, a 5.9% decrease compared with 2017 production costs of $224.4 million primarily due to lower open pit mining and maintenance costs, partially offset by the timing of inventory sales and higher re-handling costs between periods. During 2018, the Meadowbank mine processed an average of 8,937 tonnes of ore per day compared with 10,556 tonnes of ore per day processed during 2017. The decrease in throughput between periods was expected as the mine transitioned through the last full year of mining operations at the main Meadowbank site. Production costs per tonne increased to C$83 in 2018 compared with C$76 in 2017 due to lower throughput. Minesite costs per tonne increased to C$82 in 2018 compared with C$76 in 2017 primarily due to the factors noted above, other than the timing of inventory sales adjustment.

Attributable production costs at the Canadian Malartic mine were $199.8 million in 2018, a 5.9% increase compared with 2017 production costs of $188.6 million primarily due to higher contractor costs at the mill and an increase in fuel consumption and higher average fuel costs, partially offset by lower re-handling costs between periods. During 2018, the Canadian Malartic mine processed an average of 56,121 tonnes of ore per day on a 100% basis compared with 55,774 tonnes of ore per day processed in 2017. The increase in throughput between periods was primarily due to mill optimization, additional crushed ore from the portable crusher and mill stability. Production costs per tonne increased to C$25 in 2018 compared with C$24 in 2017 primarily due to the factors noted above. Minesite costs per tonne increased to C$25 in 2018 compared with C$24 in 2017 primarily due to the factors noted above.

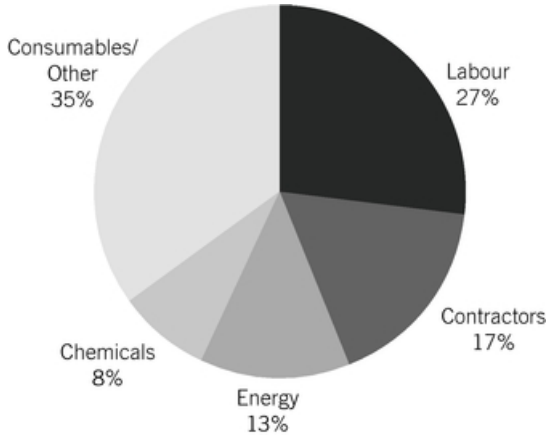
Production costs at the Kittila mine were $157.0 million in 2018, an increase of 5.9% compared with 2017 production costs of $148.3 million primarily due to higher underground development and milling costs and higher re-handling costs between periods, partially offset by the timing of inventory sales. During 2018, the Kittila mine processed an average of 5,005 tonnes of ore per day compared with the 4,615 tonnes of ore per day processed during 2017. The increase in throughput was primarily due to higher mill availability. Production costs per tonne decreased to €73 in 2018 compared with €78 in 2017 primarily due to higher throughput. Minesite costs per tonne decreased to €75 in 2018 compared with €78 in 2017 due to higher throughput.

Production costs at the Pinos Altos mine were $138.4 million in 2018, an increase of 27.3% compared with 2017 production costs of $108.7 million primarily due to higher underground mining costs and the timing of inventory sales, partially offset by the weakening of Mexican peso relative to the US dollar between periods. During 2018, the Pinos Altos mine mill processed an average of 5,329 tonnes of ore per day compared with the 5,543 tonnes of ore per day processed during 2017. In 2018, approximately 273,000 tonnes of ore were stacked on the Pinos Altos mine leach pad, compared with approximately 284,800 tonnes of ore stacked in 2017. The lower number of tonnes processed at the mill and leach pad was primarily due to mine sequencing. Production costs per tonne increased to $62 in 2018 compared with $47 in 2017 due to the factors noted above, other than the timing of inventory sales adjustment. Minesite costs per tonne increased to $61 in 2018 compared with $50 in 2017 primarily due to the factors noted above, other than the timing of the inventory sales adjustment.

Production costs at the Creston Mascota mine were $37.3 million in 2018, an increase of 18.4% compared with 2017 production costs of $31.5 million with the change primarily due to the timing of inventory sales, partially offset by a decrease in mining costs and the weakening of Mexican peso relative to the US dollar between periods. During 2018, approximately 1,422,400 tonnes of ore were stacked on the leach pad at the Creston Mascota mine compared with approximately 2,195,700 tonnes of ore stacked in 2017. The decrease in tonnes stacked was the result of the mine transitioning from the Creston Mascota deposit to the Bravo deposit in the year. Production costs per tonne increased to $26 in 2018 compared with $14 in 2017 due to the factors noted above. Minesite costs per tonne increased to $27 in 2018 compared with $15 in 2017 primarily due to the factors noted above.

Production costs at the La India mine were $69.1 million in 2018, an increase of 13.1% compared with 2017 production costs of $61.1 million primarily due to increased heap leach costs resulting from higher consumption of reagents and general materials to facilitate a higher amount of ore processed, partially offset by the weakening of Mexican peso relative to the US dollar between periods. During 2018, the La India mine stacked approximately 6,127,500 tonnes of ore on the leach pad compared with approximately 5,965,200 tonnes of ore stacked in 2017 primarily due to an increase in contractor crushing in the first half of the year. Production costs per tonne increased to $11 in 2018 compared with $10 in 2017 primarily due to the factors noted above. Minesite costs per tonne increased to $12 in 2018 compared with $11 in 2017 primarily due to the factors noted above.

Total Production Costs by Category 2018



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 (without 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 (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 and other adjustments 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 $713 in 2018 compared with $621 in 2017 and 2016. Total cash costs per ounce of gold produced on a by-product basis increased to $637 in 2018 compared with $558 in 2017 and $573 in 2016. Total cash costs per ounce of gold produced on a co-product basis increased to $710 in 2018 compared with $637 in 2017 and $643 in 2016. Set out below is an analysis of the change in total production costs per ounce and cash costs per ounce at each of the Company's mining operations.

- At the LaRonde mine, total production costs per ounce of gold produced increased to $664 in 2018 compared with $532 in 2017 primarily due to increased underground costs, slightly higher labour costs and the timing of inventory sales. Total cash costs per ounce of gold produced on a by-product basis increased to $445 in 2018 compared with $406 in 2017 primarily due to increased underground costs and slightly higher labour costs. Total cash costs per ounce of gold produced on a co-product basis increased to $634 in 2018 compared with $607 in 2017 due to the factors noted above.

- At the LaRonde Zone 5 mine, total production costs per ounce of gold produced were $698 in 2018. Total cash costs per ounce of gold produced on a by-product basis were $732 and total cash costs per ounce of gold produced on a co-product basis were $733 in 2018. As 2018 was LaRonde Zone 5 mine's first year of production, there is no comparable period in 2017.

- At the Lapa mine, total production costs per ounce of gold produced increased to $819 in 2018 compared with $801 in 2017 due to lower gold production in the mine's final year of operations, partially offset by higher re-handling costs resulting from the processing of ore stockpiled in prior periods. Total cash costs per ounce of gold produced on a by-product basis increased to $872 in 2018 compared with $755 in 2017 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $873 in 2018 compared with $757 in 2017 due to the factors noted above.

- At the Goldex mine, total production costs per ounce of gold produced increased to $648 in 2018 compared with $640 in 2017 due to an increase in underground production, maintenance, contractor and consumable costs, partially offset by a 9.3% increase in gold production between periods. Total cash costs per ounce of gold produced on

a by-product basis increased to $646 in 2018 compared with $610 in 2017 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $646 in 2018 compared with $611 in 2017 due to the factors noted above.

- At the Meadowbank mine, total production costs per ounce of gold produced increased to $848 in 2018 compared with $636 in 2017 due to a 29.4% decrease in gold production, higher re-handling costs between periods and the timing of inventory sales. Total cash costs per ounce of gold produced on a by-product basis increased to $814 in 2018 compared with $614 in 2017 due to the factors noted above, other than the timing of inventory sales adjustment. Total cash costs per ounce of gold produced on a co-product basis increased to $825 in 2018 compared with $628 in 2017 due to the factors noted above, other than the timing of inventory sales adjustment.

- At the Canadian Malartic mine, total production costs per ounce of gold produced decreased to $573 in 2018 compared with $595 in 2017 due to a 10.1% increase in gold production, partially offset by the strengthening of the Canadian dollar relative to the US dollar between periods, higher contractor costs at the mill, an increase in fuel consumption and higher average fuel prices between periods. Total cash costs per ounce of gold produced on a by-product basis decreased to $559 in 2018 compared with $576 during 2017 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis decreased to $579 in 2018 compared with $594 during 2017 due to the factors noted above.

- At the Kittila mine, total production costs per ounce of gold produced increased to $831 in 2018 compared with $753 in 2017 due to a 4.0% decrease in gold production, higher underground development and milling costs and higher re-handling costs between periods, partially offset by the timing of inventory sales. Total cash costs per ounce of gold produced on a by-product basis increased to $853 in 2018 compared with $753 in 2017 due to the factors noted above, other than the timing of inventory sales adjustment. Total cash costs per ounce of gold produced on a co-product basis increased to $854 in 2018 compared with $754 in 2017 due to the factors noted above, other than the timing of inventory sales adjustment.

- At the Pinos Altos mine, total production costs per ounce of gold produced increased to $764 in 2018 compared with $601 in 2017 due to higher underground mining costs and the timing of inventory sales, partially offset by the weakening of the Mexican peso relative to the US dollar between periods. Total cash costs per ounce of gold produced on a by-product basis increased to $548 in 2018 compared with $395 in 2017 primarily due to the factors noted above, other than the timing of inventory sales adjustment. Total cash costs per ounce of gold produced on a co-product basis increased to $749 in 2018 compared with $634 in 2017 due to lower by-product revenues and the factors noted above, other than the timing of inventory sales adjustment.

- At the Creston Mascota mine, total production costs per ounce of gold produced increased to $928 in 2018 compared to $651 in 2017 primarily due to a 17.0% decrease in gold production and the timing of inventory sales, partially offset by a decrease in mining costs and the weakening of the Mexican peso relative to the US dollar between periods. Total cash costs per ounce of gold produced on a by-product basis increased to $841 in 2018 compared with $575 in 2017 due to the factors noted above, partially offset by higher by-product revenues. Total cash costs per ounce of gold produced on a co-product basis increased to $961 in 2018 compared with $669 in 2017 due to the factors noted above.

- At the La India mine, total production costs per ounce of gold produced increased to $682 in 2018 compared with $604 in 2017 due to increased heap leach costs resulting from higher consumption of reagents and general materials to facilitate a higher amount of ore processed, partially offset by the weakening of the Mexican peso relative to the US dollar between periods. Total cash costs per ounce of gold produced on a by-product basis increased to $685 in 2018 compared with $580 in 2017 due to lower by-product revenues and the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $712 in 2018 compared with $634 in 2017 due to the factors noted above.

Exploration and Corporate Development Expense

Exploration and corporate development expense decreased by 2.7% to $137.7 million in 2018 from $141.5 million in 2017. Exploration and corporate development expense was $147.0 million in 2016.

A summary of the Company's significant 2018 exploration and corporate development activities is set out below:

- Exploration expenses in Canada and at various mine sites decreased by 15.2% to $67.0 million in 2018 compared with 2017 primarily due to lower expensed exploration drilling at the Amaruq satellite deposit.

- Exploration expenses increased by 25.7% to $26.9 million in Latin America compared with 2017 primarily due to increased exploration at the Santa Gertrudis project in Mexico.
- Exploration expenses decreased by 16.3% to $12.4 million in Europe compared with 2017 primarily due to decreased exploration at the Barsele project.
- Exploration expenses increased by 60.2% to $6.1 million in the United States compared with 2017 primarily due to increased exploration at the Gilt Edge project in South Dakota.
- Corporate development and project evaluation expenses increased by 12.5% to $25.4 million in 2018 compared with 2017 primarily due to increased project evaluation expenses at the Cubiro project near the Pinos Altos mine.

The table below sets out exploration expense by region and total corporate development expense:

	2018	2017	2016
	(thousands of United States dollars)		
Canada	$ 66,962	$ 78,928	$ 96,026
Latin America	26,897	21,402	20,812
United States	6,082	3,796	2,525
Europe	12,368	14,785	5,877
Corporate development expense	25,361	22,539	21,738
Total exploration and corporate development expense	$ 137,670	$ 141,450	$ 146,978

Amortization of Property, Plant and Mine Development

Amortization of property, plant and mine development expense increased to $553.9 million in 2018 compared with $508.7 million in 2017 and $613.2 million in 2016. The increase in amortization of property, plant and mine development between 2018 and 2017 was primarily due to the decrease in the proven and probable mineral reserves at the LaRonde mine and higher throughput at the Kittila mine. Additionally, amortization of open pit mining assets increased at the Pinos Altos and Meadowbank mines as Pinos Altos transitioned into a predominantly underground mining operation and Meadowbank reached the last full year of open pit mining at the site.

General and Administrative Expense

General and administrative expenses increased to $124.9 million in 2018 compared with $115.1 million in 2017 and $102.8 million in 2016 primarily due to increased employee compensation costs.

Impairment Loss on Equity Securities

The Company adopted IFRS 9 effective January 1, 2018 and designated its equity securities as fair value through other comprehensive income pursuant to the irrevocable election under IFRS 9. For the year ended December 31, 2018, changes in the fair value of equity securities (realized and unrealized) are permanently recognized in other comprehensive income and are not reclassified to profit or loss.

Prior to the adoption of IFRS 9 on January 1, 2018, the Company recognized an impairment loss on equity securities of $8.5 million in 2017. Impairment loss evaluations of equity securities were based on whether a decline in fair value was considered to be significant or prolonged.

Finance Costs

Finance costs increased to $96.6 million in 2018 compared with $78.9 million in 2017 and $74.6 million in 2016 primarily due to increased interest expense on the Company's guaranteed senior unsecured notes (the "Notes"). The outstanding

principal on the Notes was $1,735.0 million at December 31, 2018 compared with $1,385.0 million at December 31, 2017. The table below sets out the components of finance costs:

	2018	2017	2016
	(thousands of United States dollars)		
Stand-by fees on credit facilities	$ 5,811	$ 5,611	$ 5,387
Amortization of credit facilities, financing and note issuance costs	2,671	2,566	2,470
Interest on Credit Facility	310	42	3,102
Interest on Notes	87,100	69,935	60,044
Accretion expense on reclamation provisions	7,107	5,234	3,832
Other interest and penalties	1,521	1,920	2,871
Interest capitalized to construction in progress	(7,953)	(6,377)	(3,065)
Total finance costs	$ 96,567	$ 78,931	$ 74,641

See Note 14 in the annual consolidated financial statements for details on the Company's $1.2 billion unsecured revolving bank credit facility (the "Credit Facility") and Notes referenced above.

Impairment Loss

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, 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. An impairment loss is recognized for any excess of the carrying amount of the asset over its recoverable amount. The recoverable amount represents the greater of each asset's fair value less costs of disposal or value in use.

As at December 31, 2018, the Company completed its goodwill impairment test and its review of indicators of potential impairment of the Company's cash generating units ("CGU's"). As a result, the Company estimated the recoverable amounts of the Canadian Malartic mine, the La India mine and the El Barqueño project and concluded the carrying amounts exceeded the recoverable amounts. The Company recorded an impairment loss of $389.7 million comprised of $250.0 million at the Canadian Malartic mine, $39.0 million at the La India mine and $100.7 million at the El Barqueño project (refer to Note 24 in the Company's annual consolidated financial statements for additional details). No indicators of impairment were identified for the other CGUs.

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. Based on assessments completed by the Company, no impairment reversals were required in 2018 or 2017. The total gain on impairment reversal recorded during the year ended December 31, 2016 was $120.2 million.

Management's estimates of recoverable amounts are subject to risk and uncertainties. Therefore, it is reasonably possible that changes could occur which may affect the recoverability of the Company's long-lived assets and goodwill. This may have a material effect on the Company's future consolidated financial statements.

Foreign Currency Translation Loss

The Company's operating results and cash flow are significantly affected by changes in the 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, 2017 through December 31, 2018, the daily US dollar exchange rate fluctuated between C$1.21 and C$1.37 as reported by the Bank of Canada, 17.49 Mexican pesos and 21.91 Mexican pesos as reported by the Central Bank of Mexico and €0.80 and €0.95 per US$1.00 as reported by the European Central Bank.

A foreign currency translation loss of $2.0 million was recorded in 2018 compared with a foreign currency translation loss of $13.3 million in 2017 and $13.2 million in 2016. The 2018 average US dollar exchange rate weakened against the Canadian dollar and Euro and strengthened against the Mexican peso compared with the average exchange rate in 2017. The US dollar also strengthened against the Canadian dollar and Euro and slightly weakened against the Mexican peso as at December 31, 2018, compared to December 31, 2017. The net foreign currency translation loss in 2018 was primarily due to the translation impact of the Company's net monetary assets denominated in Canadian dollars and Euros.

Income and Mining Taxes Expense

In 2018, the Company recorded income and mining taxes expense of $67.6 million on a loss before income and mining taxes of $259.1 million at an effective tax rate of (26.1)%. In 2017, the Company recorded income and mining taxes expense of $98.5 million on income before income and mining taxes of $339.3 million[(i)] at an effective tax rate of 29.0%. The Company's 2017 effective tax rates were higher than the applicable statutory tax rate of 26.0% primarily due to the impact of mining taxes. The Company's 2018 effective tax rate is lower than the applicable statutory tax rate of 26.0% primarily due to the impact of mining taxes and the non-deductible impairment loss recorded in the consolidated statements of income (loss). In 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%.

Liquidity and Capital Resources

As at December 31, 2018, the Company's cash and cash equivalents and short-term investments totaled $307.9 million compared with $643.9 million as at December 31, 2017. The Company's policy is to invest excess cash in highly liquid investments of the highest credit quality to reduce risks associated with these investments. Such investments with remaining maturities of greater than three months and less than one year at the time of purchase are classified as short-term investments. Decisions regarding the length of maturities are based on cash flow requirements, rates of return and various other factors.

Working capital (current assets less current liabilities) decreased to $711.0 million as at December 31, 2018 compared with $1,127.7 million as at December 31, 2017.

Operating Activities

Cash provided by operating activities decreased by $161.9 million to $605.7 million in 2018 compared with 2017. The decrease in cash provided by operating activities was primarily due to a 3.8% decrease in payable gold ounces sold and an increase in production costs between periods. Partially offsetting these negative impacts on cash provided by operating activities was an increase in the average realized price of gold between 2018 and 2017 and more favourable working capital changes between periods. Cash provided by operating activities was $767.6 million in 2017, $11.1 million lower than in 2016 primarily due to less favourable working capital changes between periods and the impact on costs of a stronger Canadian dollar relative to the US dollar.

Investing Activities

Cash used in investing activities increased to $1,204.4 million in 2018 from $1,000.1 million in 2017. The increase in cash used in investing activities between periods was primarily due to a $214.9 million increase in capital expenditures and a $90.5 million increase in acquisitions, partially offset by a $35.2 million increase in proceeds from the sale of property, plant and mine development. Cash used in investing activities was $553.5 million in 2016, which included capital expenditures of $516.1 million.

In 2018, the Company invested cash of $1,089.1 million in projects and sustaining capital expenditures compared with $874.2 million in 2017. Capital expenditures in 2018 included $398.1 million at the Meliadine project, $202.4 million at the Meadowbank mine and Amaruq satellite deposit, $173.7 million at the Kittila mine, $82.8 million at the Canadian Malartic mine (the Company's attributable portion), $77.5 million at the LaRonde mine, $52.9 million at the Goldex mine, $40.3 million at the Pinos Altos mine, $25.8 million at the LaRonde Zone 5 mine, $19.5 million at the Creston Mascota mine, $9.2 million at the La India mine and $6.9 million at the Company's other projects. The $214.9 million increase in capital expenditures between 2018 and 2017 was primarily due to significant expenditures that were incurred in 2018 relating to

Note:

(i) The Company has adopted IFRS 9 – *Financial instruments* ("IFRS 9") effective January 1, 2018 on a retrospective basis and the comparative amounts have been adjusted accordingly. For more information please see Note 3 in the Company's consolidated financial statements.

the development of the Meliadine mine project and Amaruq satellite deposit, in advance of commercial production expected in 2019.

In 2018, the Company received net proceeds of $17.5 million from the sale of equity securities and other investments compared with $0.3 million in 2017 and $9.5 million in 2016. In 2018, the Company purchased $11.2 million of equity securities and other investments compared with $51.7 million in 2017 and $33.8 million in 2016. The Company's investments in equity securities consist primarily of investments in common shares of entities in the mining industry.

On June 11, 2018, the Company closed a transaction with a subsidiary of Newmont Mining Corp ("Newmont"), whereby Newmont purchased Agnico Eagle's 51% interest in the West Pequop Joint Venture and the Company's 100% interest in the Summit and PQX properties in northeastern Nevada (collectively, the "Nevada Properties"). Under the purchase and sale agreement, the Company received a cash payment of $35.0 million and was granted a 0.8% net smelter return ("NSR") royalty on the Nevada Properties held by the West Pequop Joint Venture and a 1.6% NSR on the Summit and PQX properties.

On March 28, 2018, the Company acquired 100% of the Canadian exploration assets of CMC (the "CMC Exploration Assets"), including the Kirkland Lake and Hammond Reef gold projects by way of an asset purchase agreement (the "CMC Purchase Agreement") dated December 21, 2017. On the closing of the transactions relating to the CMC Purchase Agreement, Agnico acquired all of Yamana's indirect 50% interest in the CMC Exploration Assets, giving Agnico Eagle 100% ownership of CMC's interest in the CMC Exploration Assets. Pursuant to the CMC Purchase Agreement, the effective consideration for the CMC Exploration Assets after the distribution of the sale proceeds by CMC to its shareholders totaled $162.5 million in cash paid on closing. The acquisition was accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $2.9 million were capitalized to the mining properties acquired.

On February 15, 2018, the Company completed the purchase of 1,740,500 units ("Units") of Orla Mining Ltd. ("Orla") at a price of C$1.75 per Unit for total cash consideration of C$3.0 million. Each Unit is comprised of one common share of Orla (a "Common Share") and one-half of one common share purchase warrant of Orla (each full common share purchase warrant, a "Warrant"). Each Warrant entitles the holder to acquire one Common Share at a price of C$2.35 prior to February 15, 2021. Upon closing of the transaction, the Company held 17,613,835 Common Shares and 870,250 Warrants, representing approximately 9.86% of the issued and outstanding Common Shares on a non-diluted basis and approximately 10.3% of the issued and outstanding Common Shares on a partially-diluted basis assuming exercise of the Warrants held by the Company.

On November 1, 2017, the Company acquired 100% of the issued and outstanding shares of Animas Resources Ltd. ("Animas"), a wholly-owned Canadian subsidiary of GoGold Resources Inc. ("GoGold") by way of a subscription and share purchase agreement (the "Animas Agreement") dated September 5, 2017. On the closing of the transactions relating to the Animas Agreement, Animas owned a 100% interest in the Santa Gertrudis exploration project located in Sonora, Mexico, indirectly, through three wholly-owned Mexican subsidiaries. Pursuant to the Animas Agreement, consideration for the acquisition of the shares of Animas totaled $80.0 million less a working capital adjustment of $0.4 million, comprised of $72.0 million in cash payable at closing and the extinguishment of a $7.5 million loan advanced to GoGold on the date of the Animas Agreement that bore interest at a rate of 10% per annum. The principal amount of the loan, along with all accrued interest, was repaid upon closing of the Animas Agreement by way of a set-off against the purchase price. In connection with the transaction, GoGold was granted a 2.0% NSR royalty on production from the Santa Gertrudis project, 50% of which may be repurchased by the Company at any time for $7.5 million. The acquisition was accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $0.9 million were capitalized to the mining properties acquired.

On March 8, 2017, the Company completed the purchase of 38,100,000 common shares of GoldQuest Mining Corp. ("GoldQuest") pursuant to a private placement. The Company paid C$0.60 per GoldQuest common share, for total cash 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.

Financing Activities

Cash provided by financing activities of $274.1 million in 2018 decreased compared with cash provided by financing activities of $329.2 million in 2017 primarily due to a $211.1 million decrease in net proceeds from the issuance of common shares, partially offset by a $130.4 million decrease in the net repayment of long-term debt and a $50.0 million increase in notes issuances between periods. Cash provided by financing activities was $190.4 million in 2016, which included net repayment of debt of $280.4 million.

Net proceeds from the issuance of common shares was $44.7 million in 2018 attributable to employee stock option plan exercises, issuances under the incentive share purchase plan and the dividend reinvestment plan. Net proceeds from the issuance of common shares were $269.1 million in 2017 attributable to an equity issuance directly to one institutional investor, employee stock option plan exercises, issuances under the incentive share purchase plan and the dividend reinvestment plan.

In 2018, the Company paid dividends of $84.0 million ($0.44 per share) compared with $76.1 million ($0.41 per share) in 2017 and $71.4 million ($0.36 per share) in 2016. 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 April 5, 2018, the Company closed a $350.0 million private placement of guaranteed senior unsecured notes (the "2018 Notes"). The 2018 Notes consist of $45.0 million 4.38% Series A senior notes due 2028, $55.0 million 4.48% Series B senior notes due 2030 and $250.0 million 4.63% Series C senior notes due 2033. Upon issuance, the 2018 Notes had a weighted average maturity of 13.9 years and weighted average yield of 4.57%.

On December 14, 2018, the Company amended the Credit Facility to extend the maturity date from June 22, 2022 to June 22, 2023. As at December 31, 2018, the Company's outstanding balance under the Credit Facility was nil. Credit Facility availability is reduced by outstanding letters of credit, amounting to nil as at December 31, 2018. As at December 31, 2018, $1,200.0 million was available for future drawdown under the Credit Facility.

On May 5, 2017, the Company agreed to a $300.0 million private placement of guaranteed senior unsecured notes (the "2017 Notes") which issuance closed on June 29, 2017. Upon issuance, the 2017 Notes had a weighted average maturity of 10.9 years and weighted average yield of 4.67%. Proceeds from the 2017 Notes were used for working capital and general corporate purposes.

On April 7, 2017, the Company repaid $115.0 million of the $600.0 million guaranteed senior unsecured notes that were issued on April 7, 2010 (the "2010 Notes"). As at December 31, 2018, the principal amount of the 2010 Notes that remained outstanding was $485.0 million.

On March 31, 2017, the Company issued 5,003,412 common shares to an institutional investor in the United States at a price of $43.97 per common share, for gross proceeds of approximately $220.0 million. Transaction costs of $6.7 million resulted in net proceeds to the Company of $213.3 million. Net proceeds from the issuance were used for general corporate purposes.

On June 29, 2016, the Company entered into a standby letter of credit facility with a financial institution providing for a C$100.0 million uncommitted letter of credit facility (the "Third LC Facility"). Letters of credit issued under The Third LC Facility may be used to support the reclamation obligations or non-financial or performance obligations of the Company or its subsidiaries. The obligations of the Company under the Third LC Facility are guaranteed by certain of its subsidiaries. As at December 31, 2018, the aggregate undrawn face amount of letters of credit under the Third LC Facility was $37.7 million.

On September 23, 2015, the Company entered into a standby letter of credit facility with a financial institution providing for a C$150.0 million uncommitted letter of credit facility (as amended, the "Second LC Facility"). The Second LC Facility may be used by the Company to support the reclamation obligations of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest or the performance obligations (other than with respect to indebtedness for borrowed money) of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest that are not directly related to reclamation obligations. Payment and performance of the Company's obligations under the Second LC Facility are supported by an account performance security guarantee issued by Export Development Canada in favour of the lender. As at December 31, 2018, the aggregate undrawn face amount of letters of credit under the Second LC Facility is $91.3 million.

On July 31, 2015, the Company amended its credit agreement with a financial institution relating to its uncommitted letter of credit facility (as amended, the "First LC Facility"). 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, 2018, the aggregate undrawn face amount of letters of credit under the Second LC Facility is $183.7 million.

In connection with the joint acquisition of Osisko on June 16, 2014 by the Company and Yamana, the Partnership 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 with a C$20.0 million repayment due on June 30, 2017 and a 6.875% per annum interest rate. The final scheduled repayment of C$20.0 million was made on June 30, 2017, resulting in attributable outstanding principal of nil. Agnico Eagle's indirect attributable interest in the finance lease obligations of the Partnership include secured finance lease obligations provided in separate tranches with remaining maturities up to 2019 and an average effective annual interest rate of 4.3%. As at December 31, 2018, the Company's attributable finance lease obligations were $1.9 million.

The Company was in compliance with all covenants contained in the Credit Facility and the Notes as at December 31, 2018.

Contractual Obligations

Agnico Eagle's contractual obligations as at December 31, 2018 are set out below:

	Total	2019	2020-2021	2022-2023	Thereafter
			(millions of United States dollars)		
Reclamation provisions[(i)]	$ 459.5	$ 5.4	$ 22.9	$ 22.7	$ 408.5
Purchase commitments[(ii)]	104.6	67.6	31.5	3.9	1.6
Pension obligations[(iii)]	20.3	1.3	3.9	4.2	10.9
Finance and operating leases	94.2	17.7	27.0	21.2	28.3
Long-term debt – principal[(iv)]	1,735.0	—	360.0	325.0	1,050.0
Long-term debt – interest	576.6	91.1	140.3	110.3	234.9
Total[(v)]	$ 2,990.2	$ 183.1	$ 585.6	$ 487.3	$ 1,734.2

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 $10.0 million as at December 31, 2018.

(iii) Agnico Eagle provides defined benefit plans for certain current and former senior officers and certain employees. The benefits are generally based on the employee's years of service, age and level of compensation. The data included in this table have been actuarially determined.

(iv) The Company has assumed that repayment of its long-term debt obligations will occur on each instrument's respective maturity date.

(v) The Company's future operating cash flows are expected to be sufficient to satisfy its contractual obligations.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements as at December 31, 2018 include outstanding letters of credit for environmental and site restoration costs, custom credits, government grants and other general corporate purposes of $358.9 million under the Credit Facility, First LC Facility, Second LC Facility and Third LC Facility (see Note 27 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.

2019 Liquidity and Capital Resources Analysis

The Company believes that it has sufficient capital resources to satisfy its 2019 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 2019:

		Amount
		(millions of United States dollars)
2019 Mandatory Commitments:		
Contractual obligations (see table above)	$	183.1
Accounts payable and accrued liabilities (as at December 31, 2018)		310.6
Income taxes payable (as at December 31, 2018)		18.7
Total 2019 mandatory expenditure commitments	$	512.4
2019 Discretionary Commitments:		
Expected 2019 capital expenditures	$	660.0
Expected 2019 exploration and corporate development expenditures		103.4
Total 2019 discretionary expenditure commitments		763.4
Total 2019 mandatory and discretionary expenditure commitments	$	1,275.8
Cash, cash equivalents and short-term investments (as at December 31, 2018)	$	307.9
Expected 2019 cash provided by operating activities		590.6
Working capital, excluding cash, cash equivalents and short-term investments (as at December 31, 2018)		403.1
Available under the Credit Facility (as at December 31, 2018)		1,200.0
Total 2019 Capital Resources	$	2,501.6

While the Company believes its capital resources will be sufficient to satisfy all 2019 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 2018 and 2017 quarterly financial and operating results see *Summarized Quarterly Data* in this MD&A.

Revenues from mining operations decreased by 4.9% to $537.8 million in the fourth quarter of 2018 compared with $565.3 million in the fourth quarter of 2017, which was primarily due to a 3.4% lower average realized sales price on gold and a 1.2% decrease in the sales volume of gold between periods. Production costs decreased by 1.1% to $284.5 million in the fourth quarter of 2018 compared with $287.7 million in the fourth quarter of 2017 due to decreased tonnage processed and the impact of a weaker Canadian dollar relative to the US dollar between periods. Exploration and corporate development expenses decreased by 13.0% to $27.6 million in the fourth quarter of 2018 compared with $31.7 million in the fourth quarter of 2017 primarily due to less exploration drilling at the Amaruq satellite deposit. Amortization of property, plant and mine development increased by 6.0% to $137.2 million in the fourth quarter of 2018 compared with $129.5 million in the fourth quarter of 2017 primarily due to a decrease in the proven and probable mineral reserves at the LaRonde mine and higher throughput at the Kittila mine. A net loss of $393.7 million was recorded in the fourth quarter of 2018 after income and mining taxes expense of $6.4 million compared with net income of $37.5 million in the fourth quarter of 2017 after income and mining taxes expense of $28.7 million.

Cash provided by operating activities decreased by 16.0% to $140.3 million in the fourth quarter of 2018 compared with $166.9 million in the fourth quarter of 2017. The decrease in cash provided by operating activities was primarily due to a $27.4 million decrease in revenue due to lower average realized prices of gold, silver, zinc and copper 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 2019, payable gold production at the LaRonde mine is expected to be approximately 340,000 ounces. In 2020 and 2021, the midpoints of expected annual payable gold production at the LaRonde mine are 345,000 and 342,500 ounces, respectively. At the LaRonde 3 project, the Company continues to evaluate a phased approach to development between level 311 (a depth of 3.1 kilometres) and level 350 (a depth of 3.5 kilometres). The Company is also studying the best design approaches to LaRonde 3 and the current western pyramid with consideration of potential seismic risk and ventilation requirements in the deeper portion of the mine.

The Company believes that a phased approach is a lower risk, less capital intensive option for developing the deeper levels of the LaRonde mine. Throughout the three-year guidance period it is expected that there will be an increase in grade to 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 $467 in 2019 compared with $445 in 2018, reflecting the expectation of lower by-product revenues as a result of lower base metal prices.

LaRonde Zone 5 Mine

In 2019, payable gold production at LaRonde Zone 5 mine is expected to be approximately 40,000 ounces. In 2020 and 2021, the midpoints of expected annual payable gold production at LaRonde Zone 5 mine are 45,000 and 42,500 ounces, respectively. The Company continues to evaluate the potential to mine additional ounces from other nearby satellite zones. Total cash costs per ounce of gold produced on a by-product basis at LaRonde Zone 5 are expected to be approximately $811 in 2019 compared with $732 in 2018, reflecting the assumption of incremental processing costs resulting from the Lapa mine reaching the end of operations.

Goldex Mine

In 2019, payable gold production at the Goldex mine is expected to be approximately 115,000 ounces. In 2020 and 2021, the midpoints of expected annual payable gold production at the Goldex mine are 120,000 and 117,500 ounces, respectively. The Company continues to evaluate the potential for the development of the Deep 2 Zone which hosts probable mineral reserves of 79,000 ounces of gold (1.4 million tonnes grading 1.70 g/t gold), indicated mineral resources of 159,000 ounces of gold (2.0 million tonnes grading 2.47 g/t gold) and inferred mineral resources of 303,000 ounces of gold (8.2 million tonnes grading 1.15 g/t gold). In addition, mining activities have commenced in the South Zone, which contains proven mineral reserves of 6,200 ounces of gold (57,000 tonnes grading 3.37 g/t gold), probable mineral reserves of 3,500 ounces of gold (32,000 tonnes grading 3.41 g/t gold), indicated mineral resources of 73,000 ounces of gold (555,000 tonnes grading 4.09 g/t gold) and inferred mineral resources of 243,000 ounces of gold (1.4 million tonnes grading 5.41 g/t gold). Total cash costs per ounce of gold produced on a by-product basis at the Goldex mine are expected to be approximately $682 in 2019 compared with $646 in 2018, reflecting the expectation of decreased production.

Meadowbank Mine (including the Amaruq satellite deposit)

In 2019, payable gold production at the Meadowbank mine site is expected to be approximately 65,000 ounces. Production guidance has increased over previous guidance due to a slight increase in the expected grade of the remaining Meadowbank stockpiles and availability of extra tonnage from the Portage Pit. The Amaruq satellite deposit at the Meadowbank mine is expected to achieve commercial production in the third quarter of 2019 and provide approximately 165,000 ounces (including 40,000 ounces of pre-commercial production at the Amaruq satellite deposit) in its first partial year of commercial production. In 2020 and 2021, the midpoints of expected annual payable gold production at the Amaruq satellite deposit at the Meadowbank mine are 272,500 and 351,000 ounces, respectively. Work is underway at the Amaruq satellite deposit to

evaluate the potential for an underground operation, which could run partially concurrent with the open pit mine that is currently under development. Preliminary evaluation work suggests the potential to selectively mine higher grade portions of the underground mineral resources from 2021 through 2027. Total cash costs per ounce of gold produced on a by-product basis at the Meadowbank mine are expected to be approximately $990 in 2019 compared with $814 in 2018, reflecting the expectation of decreased production. Total cash costs per ounce of gold produced on a by-product basis at the Amaruq satellite deposit are expected to be $812 in 2019.

Meliadine Mine project

The Meliadine mine project is expected to achieve commercial production early in the second quarter of 2019 and provide approximately 230,000 gold ounces (including 60,000 ounces of pre-commercial production). In 2020 and 2021, the midpoints of expected annual production at the Meliadine mine project are 385,000 and 365,000 ounces, respectively. Total cash costs per ounce of gold produced on a by-product basis at the Meliadine mine project are expected to be $612 in 2019.

Canadian Malartic Mine

In 2019, attributable payable gold production at the Canadian Malartic mine is expected to be approximately 330,000 ounces. In 2020 and 2021, the midpoints of expected annual attributable payable gold production at the Canadian Malartic mine are 350,000 ounces. The Partnership is evaluating the potential for mining the Odyssey North and East Malartic deposits from surface to a depth of 600 metres. These deposits could provide higher grade tonnes that could potentially supplement open pit production at the Canadian Malartic mine in the future. On a 50% basis, Odyssey contains inferred mineral resources of 809,000 ounces of gold (11.5 million tonnes grading 2.19 g/t gold) and East Malartic contains inferred mineral resources of 1.4 million ounces of gold (22.0 million tonnes grading 1.98 g/t gold) as of December 31, 2018. Drilling is ongoing to extend and upgrade the mineral resources in these zones. The permit and Certificate of Authorization, which allow for the development of an underground ramp at Odyssey were received in December 2018. Total cash costs per ounce of gold produced on a by-product basis at the Canadian Malartic mine are expected to be approximately $576 in 2019 compared with $559 in 2018, reflecting the expectation of decreased production.

Kittila Mine

In 2019, payable gold production at the Kittila mine is expected to be approximately 175,000 ounces. In 2020 and 2021, the midpoints of expected annual payable gold production at the Kittila mine are 215,000 and 245,000 ounces, respectively. In 2017, the Company validated the potential to increase throughput rates to 2.0 mtpa from the then current rate of 1.6 mtpa. As a result, the Board has approved the expansion of the Kittila mine, which will include a mill modification and the installation of a 1,044 metre deep shaft. The expansion project is expected to result in a 50,000 to 70,000 ounce annual increase in gold production at reduced operating costs starting in 2021. In addition, the shaft is expected to provide access to the mineral resources located below 1,150 metres depth, where recent exploration programs have shown promising results. Total cash costs per ounce of gold produced on a by-product basis at the Kittila mine are expected to be approximately $822 in 2019 compared with $853 in 2018, reflecting the expectation of decreased production costs as a result of a scheduled mill shutdown in the second quarter of 2019 to allow for autoclave relining.

Pinos Altos Mine

In 2019, payable gold production at the Pinos Altos mine is expected to be approximately 165,000 ounces. In 2020 and 2021, the midpoints of expected annual payable gold production at the Pinos Altos are 150,000 and 146,500 ounces, respectively. Several satellite mining opportunities exist around the Pinos Altos mine that are being evaluated for their incremental production potential. Development projects at the Sinter and Cubiro satellite deposits at the Pinos Altos mine continued to advance during 2018. The Sinter deposit, located approximately 2 kilometres northwest of the Pinos Altos mine, will be mined from underground and a small open pit. At the Sinter deposit, 757 metres of underground development had been completed by year-end 2018, and mineral resource conversion and expansion drilling commenced in the first quarter of 2019. At the Cubiro deposit, located approximately 9 kilometres northwest of the Pinos Altos mine, which could potentially supply high-grade ore to the Pinos Altos processing facilities, 300 metres of underground ramp development had been completed in 2018. Underground exploration and mineral resource conversion is expected to commence later in 2019.Total cash costs per ounce of gold produced on a by-product basis at the Pinos Altos mine are expected to be approximately $604 in 2019 compared with $548 in 2018, reflecting the expectation of decreased production due to changes in the mining sequence.

Creston Mascota Mine

In 2019, payable gold production at the Creston Mascota mine is expected to be approximately 35,000 ounces. In 2020, the midpoint of expected annual payable gold production at the Creston Mascota mine is 22,500 ounces. Stacking at the Creston Mascota mine is expected to end in the fourth quarter of 2019 with residual leaching expected until 2020. Total cash costs per ounce of gold produced on a by-product basis at the Creston Mascota mine are expected to be approximately $763 in 2019 compared with $841 in 2018, reflecting the expectation of decreased production costs as the mine approaches the end of operations.

La India Mine

In 2019, payable gold production at the La India mine is expected to be approximately 90,000 ounces. In 2020 and 2021, the midpoints of expected annual payable gold production at the La India mine are 95,000 and 90,000 ounces, respectively. In 2018, an initial probable mineral reserve of 84,000 ounces of gold and 418,000 ounces of silver (3.3 million tonnes grading 0.80 g/t gold and 3.96 g/t silver) were declared at the El Realito deposit. Detailed engineering regarding the heap leach expansion was completed in November 2018, and earthworks were started in December 2018 with the completion expected in April 2019. Studies are underway to optimize the crushing circuit with a goal of potentially increasing capacity from 16,000 to 17,000 tonnes per day. Total cash costs per ounce of gold produced on a by-product basis at the La India mine are expected to be approximately $721 in 2019 compared with $685 in 2018, reflecting the expectation of decreased production.

Production Summary

With the achievement of commercial production at the Kittila and Pinos Altos mines in 2009, the Meadowbank mine in 2010, the Creston Mascota and LaRonde mine extension in 2011, the Goldex mine M and E Zones in 2013, the La India mine in 2014 and the LaRonde Zone 5 mine in 2018 along with the joint acquisition of the Canadian Malartic mine on June 16, 2014, Agnico Eagle has transformed from a one mine operation to a multi-mine senior gold mining company over the last decade. In 2018, the Company achieved payable gold production of 1,626,669 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. Payable gold production is expected to increase to approximately 1,750,000 ounces in 2019, representing an 7.6% increase compared with 2018. The Company expects that the main contributors to achieving the targeted levels of payable gold production, mineral reserves and mineral resources in 2019 will include:

- achievement of commercial production at the Meliadine mine project and the Amaruq satellite deposit at the Meadowbank mine;
- 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 2019, the Company expects to continue to generate solid cash flow with payable gold production of approximately 1,750,000 ounces (including 40,000 and 60,000 ounces of pre-commercial production at the Amaruq satellite deposit and the Meliadine mine project, respectively) compared with 1,626,669 ounces in 2018. This expected increase in payable gold production is primarily due to the expected commencement of commercial production at the Meliadine mine project and the Amaruq satellite deposit.

The table below sets out actual payable production in 2018 and expected payable production in 2019:

	2019 Forecast	2018 Actual
Gold (ounces)	1,750,000	1,626,669
Silver (thousands of ounces)	4,035	4,524
Zinc (tonnes)	10,155	7,864
Copper (tonnes)	3,944	4,193

In 2019, the Company expects total cash costs per ounce of gold produced on a by-product basis to be between $620 and $670. At the LaRonde mine total cash costs per ounce of gold produced on a by-product basis is expected to be approximately $467 compared with $445 in 2018. 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 metal production. The Pinos Altos mine also generates significant silver by-product revenue. An increase in by-product metal prices above forecast 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 $665 in 2019 at the LaRonde mine compared with $634 in 2018.

As production costs at the LaRonde, LaRonde Zone 5, Goldex, Meadowbank (including the Amaruq satellite deposit), Meliadine and Canadian Malartic mines are incurred primarily in Canadian dollars, production costs at the Kittila mine are incurred primarily in Euros and a portion of the production costs at the Pinos Altos, Creston Mascota and La India mines are incurred 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 2019 total cash costs per ounce of gold produced on a by-product basis (forecast 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, 2019 through February 28, 2019:

	2019 Assumptions	Actual Market Average (January 1, 2019 – February 28, 2019)
Silver (per ounce)	$16.00	$15.70
Zinc (per tonne)	$2,756	$2,630
Copper (per tonne)	$6,063	$6,102
Diesel (C$ per litre)	$0.85	$0.87
C$/US$ exchange rate (C$)	$1.28	$1.33
Euro/US$ exchange rate (Euros)	€1.18	€1.14
Mexican peso/US$ exchange rate (Mexican pesos)	18.00	19.20

See *Risk Profile – Commodity Prices and Foreign Currencies* in this MD&A for the expected impact on forecast 2019 total cash costs per ounce of gold produced on a by-product basis of certain changes in commodity prices and exchange rate assumptions.

Exploration and Corporate Development Expenditures

In 2019, Agnico Eagle expects to incur exploration and corporate development expenses of approximately $103.4 million. A large component of the 2019 exploration program will be focused on the Amaruq satellite deposit at Meadowbank in Nunavut, the Canadian Malartic and Goldex mines in the Abitibi region of northwest Quebec, the Sisar Zone at the Kittila mine in Finland, satellite targets at the La India mine and the Santa Gertrudis project in Sonora State, Mexico. The goal of these exploration programs is to delineate mineral reserves and mineral resources that can supplement the Company's existing production profile.

At the Amaruq satellite deposit at Meadowbank, the Company expects to spend $8.1 million for 32,800 metres of exploration drilling, in addition to $4.4 million for 20,300 metres of conversion drilling. The goals of the exploration program are to:

- test for westerly and easterly extensions of the Whale Tail deposit;
- extend the known mineral resources of the Whale Tail North structure toward the east to fill the gap with the V Zone;
- test for deep extensions of the V Zone; and
- test new concepts regionally to potentially outline additional sources of open pit ore.

At the Canadian Malartic mine, the Company expects to spend $2.3 million for 29,000 metres (on a 50% basis) of exploration and conversion drilling focused on increasing the known mineralization.

At the Kittila mine, the Company expects to spend $9.3 million for 42,400 metres of further deep drilling focused on the Main Zone in the Roura and Rimpi areas and the Sisar Zone. The goal of this program is to further explore the Kittila mineral reserve and mineral resource potential and demonstrate the economic potential of the Sisar Zone as a new mining horizon at Kittila. Outside of the mining licence areas, the Company expects to spend $1.1 million for 4,000 metres of diamond drilling for exploration along the Suurikuusikko, Kapsa and Hanhimaa Trends.

At the Goldex mine, the Company expects to spend $4.8 million for a combination of 7,000 metres of surface and underground exploration drilling and 46,800 metres of conversion drilling. At the adjacent Joubi property, the Company expects to spend $0.9 million for 6,000 metres of exploration drilling.

At the La India mine, the Company expects to spend $2.8 million for 10,000 metres of regional drilling that will target mineral resource expansion at the Tarachi and Chipriona satellite targets. In addition, focused on El Realito and other targets, the Company expects to spend $2.4 million for 10,000 metres of mine site exploration and $0.7 million for 2,000 metres of conversion drilling to extend the life of mine.

At the Santa Gertrudis project in Sonora, Mexico, the Company expects to spend $8.2 million for approximately 29,000 metres of drilling that will be focused on expanding the mineral resource, testing the extensions of high-grade structures and exploring new targets to be outlined by a target-generation initiative. The economic potential of Santa Gertrudis will also be evaluated.

Exploration programs are designed to infill and expand known deposits and test other favorable 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 2019, the Company expects to capitalize approximately $28.1 million of drilling and development costs related to further delineating ore bodies and converting mineral resources into mineral reserves.

Other Expenses

General and administrative expenses are expected to be between $105.0 million and $125.0 million in 2019 compared with $124.9 million in 2018. Amortization of property, plant and mine development is expected to be between $580.0 million and $630.0 million in 2019 compared with $553.9 million in 2018. The Company's effective tax rate is expected to be between 45.0% and 50.0% in 2019.

Capital Expenditures

Capital expenditures, including sustaining capital, construction and development costs and capitalized exploration costs, are expected to total approximately $660.0 million in 2019. The Company expects to fund its 2019 capital expenditures through

operating cash flow from the sale of its gold production and the associated by-product metals. Significant components of the expected 2019 capital expenditures program include the following:

- $287.7 million in sustaining capital expenditures relating to the LaRonde mine ($71.3 million), Kittila mine ($69.7 million), Canadian Malartic mine ($47.0 million – 50% portion attributable to the Company), Pinos Altos mine ($23.8 million), Meliadine project ($23.1 million), Meadowbank mine including the Amaruq satellite deposit ($18.7 million), Goldex mine ($17.1 million), La India mine ($9.1 million), LaRonde Zone 5 mine ($6.6 million) and other projects ($1.3 million);

- $344.2 million in capitalized development expenditures relating to the Amaruq satellite deposit at Meadowbank ($110.9 million), Kittila mine ($85.1 million), Canadian Malartic mine ($35.7 million – 50% portion attributable to the Company), Meliadine project ($33.3 million), Amaruq underground project ($23.0 million), Goldex mine ($17.4 million), LaRonde mine ($12.2 million), La India mine ($11.7 million), LaRonde Zone 5 mine ($2.8 million), Pinos Altos mine ($10.2 million) and other projects ($1.9 million); and

- $28.1 million in capitalized drilling expenditures.

In 2019, a significant portion of the Company's capital commitments is expected to relate to the construction of the Amaruq satellite deposit (including the Amaruq underground project) at Meadowbank and the Kittila mine expansion. The Amaruq satellite deposit's (including the Amaruq underground project) capital commitment is forecast to be $133.9 million in development expenditures which represents approximately 20.3% of the expected $660.0 million in total capital expenditures in 2019.

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 (without 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 $875 to $925 in 2019 compared with $877 in 2018 primarily due to higher total cash costs.

Risk Profile

The Company is subject to significant risks due to the inherent nature of the business of exploration, development and mining of properties with precious metals. The risks described below are not the only ones facing the Company. The risk factors below may include details of how the Company seeks to mitigate these risks where possible. For a more comprehensive discussion of these inherent risks, see "Risk Factors" in our most recent Form 40-F/Annual Information Form on file with the SEC and Canadian provincial securities regulatory authorities.

Financial Instruments

The Company's principal financial liabilities are comprised of accounts payable and accrued liabilities, long-term debt and derivative financial instruments. The Company uses these financial instruments to manage its cash flows used to support ongoing operations and future growth.

The Company's principal financial assets are comprised of cash and cash equivalents, short-term investments, trade receivables, equity securities and derivative financial instruments. Cash and cash equivalents, short-term investments and

trade receivables are generated by the Company's operations. Equity securities are generally strategic investments made in other mining companies.

Using financial instruments expose the Company to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, commodity price risk and foreign currency risk as discussed below).

Credit risk is the risk that the counterparties to financial contracts will fail to perform on an obligation to the Company. Credit risk is partially mitigated by dealing with high quality counterparties such as major banks and limiting concentration risk.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company mitigates liquidity risk primarily by monitoring its debt rating and the maturity dates of existing debt and other payables.

Interest Rates

The Company's current exposure to market risk for changes in interest rates relates primarily to drawdowns on its Credit Facility and its investment portfolio. Drawdowns on the Credit Facility are used primarily to fund a portion of the capital expenditures related to the Company's development projects and working capital requirements. As at December 31, 2018, 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, 2018, short-term investments were $6.1 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.

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 cash cost per ounce of gold produced sensitivity analysis set out in the table below, the Company applied the following metal price and exchange rate assumptions for 2019:

- Silver – $16.00 per ounce;
- Zinc – $2,756 per tonne;
- Copper – $6,063 per tonne;
- Diesel – C$0.85 per litre;
- Canadian dollar/US dollar – C$1.28 per $1.00;
- Euro/US dollar – €0.85 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 2018, the ranges of metal prices, diesel prices and exchange rates were as follows:

- Silver: $13.89 – $17.71 per ounce, averaging $15.71 per ounce;
- Zinc: $2,284 – $3,619 per tonne, averaging $2,921 per tonne;
- Copper: $5,759 – $7,331 per tonne, averaging $6,525 per tonne;
- Diesel: C$0.65 – C$0.90 per litre, averaging C$0.74 per litre;
- Canadian dollar/US dollar: C$1.23 – C$1.37 per $1.00, averaging C$1.30 per $1.00;

- Euro/US dollar: €0.80 – €0.89 per $1.00, averaging €0.85 per $1.00; and
- Mexican peso/US dollar: 17.94 – 20.96 Mexican pesos per $1.00, averaging 19.24 Mexican pesos per $1.00.

The following table sets out the impact on forecast 2019 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 2018 price ranges shown above, these specifically identified changes in assumed metal prices, the diesel price and exchange rates are reasonably likely in 2019.

Changes in Variable	Impact on Forecast 2019 Total Cash Costs per Ounce of Gold Produced (By-Product Basis)
Silver – $1 per ounce	$2
Zinc – 10%	$2
Copper – 10%	$1
Diesel – 10%	$5
Canadian dollar/US dollar – 1%	$4
Euro/US dollar – 1%	$1
Mexican peso/US dollar – 10%	$3

In order to mitigate the impact of fluctuating by-product metal prices, the Company occasionally enters into derivative financial instrument contracts under its Board-approved Risk Management Policies and Procedures. The Company has a long-standing policy of no forward gold sales. However, the policy does allow the Company to use other hedging strategies where appropriate to mitigate foreign exchange and by-product metal pricing risks. The Company occasionally buys put options, enters into price collars and enters into forward contracts to protect minimum by-product metal prices while maintaining full exposure to the price of gold. The Risk Management Committee has approved the strategy of using short-term call options in an attempt to enhance realized by-product metal prices. The Company's policy does not allow speculative trading.

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant currency risk exposure. The Company enters into currency hedging transactions under its Board-approved Foreign Exchange Risk Management Policies and Procedures to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), as it does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes. As at December 31, 2018, there were foreign exchange derivatives outstanding related to $626.4 million of 2019 expenditures. During the year ended December 31, 2018 the Company recognized a loss of $8.3 million on foreign exchange derivatives in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss).

Cost Inputs

The Company considers and may enter into risk management strategies to mitigate price risk on certain consumables including, but not limited to, diesel fuel. These strategies may include longer term purchasing contracts and financial and derivative instruments. As at December 31, 2018, there were derivative financial instruments outstanding relating to 12.0 million gallons of heating oil. During the year ended December 31, 2018 the Company recognized a loss of $0.4 million on heating oil derivatives in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss).

Operational Risk

The Canadian Malartic, LaRonde, and Meadowbank mines were the Company's most significant contributors in 2018 to the Company's payable gold production at 21.4%, 21.1% and 15.3%, respectively. These mines are expected to account for 51.4% of the Company's payable gold production in 2019.

The following table sets out expected 2019 payable gold production by mine:

	Expected Payable Gold Production (Ounces)	Expected Payable Gold Production (%)
LaRonde mine	340,000	19.4%
LaRonde Zone 5 mine	40,000	2.3%
Goldex mine	115,000	6.6%
Meadowbank mine	65,000	3.7%
Amaruq satellite deposit at the Meadowbank mine	165,000	9.4%
Canadian Malartic mine (attributable 50.0%)	330,000	18.9%
Meliadine mine project	230,000	13.1%
Kittila mine	175,000	10.0%
Pinos Altos mine	165,000	9.5%
Creston Mascota mine	35,000	2.0%
La India mine	90,000	5.1%
Total	1,750,000	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.

Regulatory Risk

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

Controls Evaluation

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P").

ICFR is a framework designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has used the *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) in order to assess the effectiveness of the Company's ICFR.

DC&P form a broader framework designed to provide reasonable assurance that information required to be disclosed by the Company in its annual and interim filings and other reports filed under securities legislation is recorded, processed, summarized and reported within the time frame specified in securities legislation and includes controls and procedures designed to ensure that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

Together, the ICFR and DC&P frameworks provide internal control over financial reporting and disclosure. The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be disclosed in the Company's annual and interim filings and other reports filed under securities legislation, is accumulated and communicated in a timely fashion. Due to their inherent limitations, the Company acknowledges that, no matter how well designed, ICFR and DC&P can provide only reasonable assurance of achieving the desired control objectives and as such may not prevent or detect all misstatements. Further, the effectiveness of ICFR is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may change.

The Company's management, under the supervision of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of its ICFR and DC&P as at December 31, 2018. Based on this evaluation, management concluded that the Company's ICFR and DC&P were effective as at December 31, 2018.

Outstanding Securities

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding at March 12, 2019 were exercised:

Common shares outstanding	234,186,501
Employee stock options	8,200,337
Common shares held in a trust in connection with the Restricted Share Unit plan, Performance Share Unit plan and Long Term Incentive Plan	1,068,776
Total	243,455,614

Sustainable Development

In 2018, 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 Occupational Health and Safety Assessment Series 18001 Health and Safety Management System.

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

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

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

In 2018, the Company adopted an indigenous engagement policy and a diversity and inclusion policy.

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, suffered a slight set back during 2018. A combined lost time and restricted work accident frequency rate (excluding the Canadian Malartic mine) of 1.27 was achieved, a 39% increase from the 2017 rate of 0.91 and above the target rate of 1.10. This increase can be attributed to the construction activities at the Amaruq satellite deposit at the Meadowbank mine and the Meliadine mine project and action plans have been put in place to correct the situation.

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

In 2018, the AMQ acknowledged the Company's strong performance in the area of health and safety, recognizing 21 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 21 supervisors achieved more than 1.7 million hours supervised without a lost-time accident for a member of their crew. 15 supervisors from the Canadian Malartic mine were also recognized by the AMQ, achieving 2.2 million hours without a lost time accident.

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

The Canadian Malartic mine's combined accident frequency rate in 2018 was 1.21, compared to an objective of 1.10 and the 2017 rate of 0.78.

Community

The Company's goal, at each of its operations worldwide, is to hire as much of its workplace as possible, including management teams, directly from the local region in which the operation is located. In 2018, the overall company average for

local hiring was 62%. The Company believes that providing employment is one of the most significant contributions it can make to the communities in which it operates.

The Company continued its efforts in community development agreements in Nunavut. In 2015, the Meadowbank IIBA was renewed and the Meliadine IIBA was signed. In 2018, the Amaruq IIBA was signed. In 2018, the Company continued its dialogue with First Nations in the Abitibi region. The Company continues negotiations with First Nations around the Kirkland Lake project and the Partnership continues its dialogue with First Nations in the Abitibi region. The Company has adopted a reconciliation action plan in line with the call for action No. 92 of the federal Truth and Reconciliation Commission (TRC), the first step of which was to give training on First Nations Matters to the Company's executives. This training took place in December 2018.

The Canadian Malartic mine continued its contribution to the economic development fund (FECM) 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.

The Company continued to support community health and educational initiatives in the region surrounding the Pinos Altos mine, including establishing a local sewing cooperative and donating material for the construction of new classrooms and 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.

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 14001 as well as an internal audit program. The Company works closely with regulatory authorities in each jurisdiction where it operates to ensure ongoing compliance.

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

With respect to activities in 2018, the Canadian Malartic mine received one non-compliance blast notice for Nitrogen Oxide emissions during a blast in April 2018. The mine's team of on-site environmental experts continue to monitor regulatory compliance in terms of approvals, permits and observance of directives and requirements and continue to implement improvement measures.

The Company's total liability for reclamation and closure cost obligations as at December 31, 2018 was $386.2 million (including the Company's share of the Canadian Malartic reclamation costs) and the Company's reclamation expense for the year ended December 31, 2018 was $14.4 million.

For more information please see Note 12 in the annual consolidated financial statements.

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

Critical IFRS Accounting Policies and Accounting Estimates

The Company's annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Agnico Eagle's significant accounting policies including a summary of current and future changes in accounting policies are disclosed in Note 3 in the annual consolidated financial statements.

The preparation of the annual consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting estimates have a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions. In making judgments about the carrying value of assets and liabilities, the Company uses estimates based on historical experience and assumptions that are considered reasonable in the circumstances. Although the Company evaluates its accounting estimates on an ongoing basis using the most current information available, actual results

may differ from these estimates. The critical judgments and key sources of estimation uncertainties in the application of accounting policies during the year ended December 31, 2018 are disclosed in Note 4 in the annual consolidated financial statements.

Management has discussed the development and selection of critical accounting policies and estimates with the Audit Committee which has reviewed the Company's disclosure in this MD&A.

Mineral Reserve Data

The scientific and technical information contained in this MD&A relating to Quebec operations has been approved by Christian Provencher, Eng., Vice-President, Canada; relating to Nunavut operations has been approved by Dominique Girard, Eng., Vice-President, Nunavut Operations; relating to the Finland operations has been approved by Francis Brunet, Eng., Corporate Director Mining; relating to Southern Business operations has been approved by Marc Legault, Eng., Senior Vice President, Operations – U.S.A. & Latin America; and relating to exploration has been approved by Alain Blackburn, Eng., Senior Vice-President, Exploration and Guy Gosselin, Eng. and P.Geo., Vice-President, Exploration, each of whom is a "Qualified Person" for the purposes of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

The scientific and technical information relating to Agnico Eagle's mineral reserves and mineral resources contained herein (other than the Canadian Malartic mine) has been approved by Daniel Doucet, Eng., Senior Corporate Director, Reserve Development; relating to mineral reserves at the Canadian Malartic mine, has been approved by Sylvie Lampron, Eng., Senior Project Mine Engineer at Canadian Malartic Corporation; and relating to mineral resources at the Canadian Malartic mine and the Odyssey and East Malartic projects, has been approved by Pascal Lehouiller, P. Geo., Senior Resource Geologist at Canadian Malartic Corporation, each of whom is a "Qualified Person" for the purposes of NI 43-101.

The assumptions used for the mineral reserve estimates at all mines and projects reported in this MD&A (except the Canadian Malartic mine, the Upper Canada project and the Upper Beaver project) as at December 31, 2018 are $1,150 per ounce gold, $16.00 per ounce silver, $1.00 per pound zinc and $2.50 per pound copper. Foreign exchange rates assumptions of C$1.20 per US$1.00, €0.87 per US$1.00 and 16.00 Mexican pesos per US$1.00 were used for all mines and projects other than the Meadowbank mine in Canada and the Sinter deposit at the Pinos Altos mine and the Creston Mascota mine in Mexico, which used foreign exchange rate assumptions of C$1.25 per US$1.00 and 17.00 Mexican pesos per US$1.00 (other assumptions unchanged) due to their shorter remaining mine lives.

December 31, 2018 mineral reserves at the Canadian Malartic mine, the Upper Canada project and the Upper Beaver project have been estimated using the following assumptions: $1,200 per ounce gold and $2.75 per pound copper; a cut-off grade at the Canadian Malartic mine between 0.37 g/t and 0.38 g/t gold (depending on the deposit); a C$125/tonne net smelter return (NSR) for the Upper Beaver project; and a foreign exchange rate of C$1.25 per US$1.00.

Proven and Probable Mineral Reserves by Property [(i)(ii)]	Tonnes	Gold Grade (Grams per Tonne)	Contained Gold (Ounces)[(iii)]
	(thousands)		*(thousands)*
Proven Mineral Reserves			
LaRonde mine	4,817	4.87	754
LaRonde Zone 5 mine	4,053	2.03	264
Canadian Malartic mine (attributable 50.0%)	23,029	0.89	658
Goldex mine	207	2.06	14
Meadowbank mine	1,141	1.57	58
Amaruq satellite deposit (part of Meadowbank Complex)	89	3.15	9
Meliadine mine project	150	5.67	27
Kittila mine	491	4.12	65
Pinos Altos mine	4,782	2.70	416
La India mine	228	0.49	4
Total Proven Mineral Reserves	38,987	1.81	2,268
Probable Mineral Reserves			
LaRonde mine	11,561	6.26	2,327
LaRonde Zone 5 mine	5,377	2.41	417
Canadian Malartic mine (attributable 50.0%)	55,799	1.18	2,122
Goldex mine	18,717	1.58	949
Akasaba West project	5,432	0.84	147
Meadowbank mine	464	2.68	40
Amaruq satellite deposit (part of Meadowbank Complex)	24,852	3.60	2,873
Meliadine mine project	16,585	6.99	3,725
Upper Beaver project	7,992	5.43	1,395
Kittila mine	30,040	4.50	4,349
Pinos Altos mine	12,323	1.94	769
Creston Mascota mine	1,434	1.77	82
La India mine	24,256	0.74	577
Total Probable Mineral Reserves	214,833	2.86	19,771
Total Proven and Probable Mineral Reserves	253,820	2.70	22,039

Notes:

(i) Amounts presented in this table have been rounded to the nearest thousand and therefore totals may differ slightly from the addition of the numbers.

(ii) Complete information on the verification procedures, quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information presented in this MD&A and definitions of certain terms used herein may be found in: the AIF under the heading "Information on Mineral Reserves and Mineral Resources of the Company"; the Technical Report on the 2005 LaRonde Mineral

Resource & Mineral Reserve Estimate filed with Canadian securities regulatory authorities on SEDAR on March 23, 2005; the Technical Report on the December 31, 2009, Mineral Resource and Mineral Reserve Estimate and the Suuri Extension Project, Kittila Mine, Finland filed with the Canadian securities regulatory authorities on SEDAR on March 4, 2010; the Technical Report on the Mineral Resources and Mineral Reserves at Meadowbank Gold Complex including the Amaruq satellite deposit, Nunavut, Canada as at December 31, 2017 filed with Canadian securities

regulatory authorities on SEDAR on March 22, 2018; the Pinos Altos Gold-Silver Mining Project, Chihuahua State, Mexico, Technical Report on Mineral Resources and Reserves as of December 31, 2008 filed with Canadian securities regulatory authorities on March 25, 2009; the Updated Technical Report on the Meliadine Gold Project, Nunavut, Canada dated February 11, 2015 filed with Canadian securities regulatory authorities on SEDAR on March 12, 2015; the Technical Report on the June 30, 2012 Update of the Mineral Resources and Mineral Reserves, La India Gold Project, Municipality of Sahuaripa, Sonora, Mexico dated August 31, 2012 filed with Canadian securities regulatory authorities on SEDAR on October 12, 2012; the Technical Report on Production of the M and E Zones at Goldex Mine dated October 14, 2012 filed with the Canadian securities regulatory authorities on SEDAR on November 1, 2012; and the Technical Report on the Mineral Resource and Mineral Reserve Estimates for the Canadian Malartic Property as at June 16, 2014 filed with Canadian securities regulatory authorities on SEDAR on August 13, 2014.

(iii) Total contained gold ounces does not include equivalent gold ounces for the by-product metals contained in the mineral reserves.

Non-GAAP Financial Performance Measures

This MD&A presents certain financial performance measures, including adjusted net income, total cash costs per ounce of gold produced (on both a by-product and co-product basis), minesite costs per tonne and all-in sustaining costs per ounce of gold produced (on both a by-product and co-product basis), that are not recognized measures under IFRS. This data may not be comparable to data presented by other gold producers. Non-GAAP financial performance measures should be considered together with other data prepared in accordance with IFRS.

Adjusted Net Income

Adjusted net income is not a recognized measure under IFRS and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting net income as recorded in the consolidated statements of income (loss) for non-recurring, unusual and other items. The Company believes that this generally accepted industry measure allows the evaluation of the results of continuing operations and is useful in making comparisons between periods. Adjusted net income is intended to provide investors with information about the Company's continuing income generating capabilities. Management uses this measure to monitor and plan for the operating performance of the Company in conjunction with other data prepared in accordance with IFRS. The Company does not exclude stock based compensation expense in its calculation of adjusted net income. Stock option expense for the year ended December 31, 2018 was $19.3 million (2017 – $19.2 million; 2016 – $16.3 million).

	2018	2017[(i)]	2016
	(thousands of United States dollars)		
Net income (loss) for the year	$ (326,701)	$ 240,795	$ 158,824
Impairment loss on equity securities	–	8,532	–
Gain on sale of equity securities	–	–	(3,500)
Foreign currency translation loss	1,991	13,313	13,157
Loss (gain) on derivative financial instruments	6,065	(17,898)	(9,468)
Impairment reversal, net of tax	–	–	(81,210)
Impairment loss[(ii)]	389,693	–	–
Income and mining taxes adjustments[(iii)]	7,629	(24,921)	4,755
Other[(iv)]	(6,802)	14,006	26,963
Adjusted net income for the year	$ 71,875	$ 233,827	$ 109,521
Net income (loss) per share – basic	$ (1.40)	$ 1.05	$ 0.71
Net income (loss) per share – diluted	$ (1.40)	$ 1.04	$ 0.70
Adjusted net income per share – basic	$ 0.31	$ 1.02	$ 0.49
Adjusted net income per share – diluted	$ 0.31	$ 1.01	$ 0.49

Notes:

(i) The Company has adopted IFRS 9 effective January 1, 2018 on a retrospective basis and the comparative amounts above have been adjusted accordingly. For more information please see Note 3 in the Company's annual consolidated financial statements.

(ii) The Company did not record a tax impact on the impairment loss as a result of the initial recognition exemption which does not require deferred tax to be recorded on goodwill or asset acquisitions.

(iii) 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.

(iv) The Company includes certain adjustments in "Other" to the extent that management believes that these items are not reflective of the underlying performance of the Company's core operating business. Examples of items historically included in "Other" include changes in estimates of asset retirement obligations at closed sites and gains and losses on the disposal of assets.

Total Cash Costs per Ounce of Gold Produced and Minesite Costs per Tonne

The Company believes that total cash costs per ounce of gold produced and minesite costs per tonne are realistic indicators of operating performance and facilitate period over period comparisons. However, both of these non-GAAP generally accepted industry measures should be considered together with other data prepared in accordance with IFRS. These measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

Total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). Total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. 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 and other adjustments 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 analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

Agnico Eagle's primary business is gold production and the focus of its current operations and future development is on maximizing returns from gold production, with other metal production being incidental to the gold production process. Accordingly, all metals other than gold are considered by-products.

Total cash costs per ounce of gold produced is reported on a by-product basis because (i) the majority of the Company's revenues are gold revenues, (ii) the Company mines ore, which contains gold, silver, zinc, copper and other metals, (iii) it is not possible to specifically assign all costs to revenues from the gold, silver, zinc, copper and other metals the Company produces and (iv) it is a method used by management and the Board to monitor operations.

Minesite costs per tonne is calculated by adjusting production costs as shown in the consolidated statements of income (loss) for inventory production costs and other adjustments and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced 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 (loss) in accordance with IFRS.

Total Production Costs by Mine

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
(thousands of United States dollars)			
LaRonde mine	$ 228,294	$ 185,488	$ 179,496
LaRonde Zone 5 mine	12,991	–	–
Lapa mine	27,870	38,786	52,974
Goldex mine	78,533	71,015	63,310
Meadowbank mine	211,147	224,364	218,963
Canadian Malartic mine[(i)]	199,761	188,568	183,635
Kittila mine	157,032	148,272	141,871
Pinos Altos mine	138,362	108,726	114,557
Creston Mascota mine	37,270	31,490	27,341
La India mine	69,095	61,133	49,745
Production costs per the consolidated statements of income (loss)	$ 1,160,355	$ 1,057,842	$ 1,031,892

Reconciliation of Production Costs to Total Cash Costs per Ounce of Gold Produced [(ii)] by Mine and Reconciliation of Production Costs to Minesite Costs per Tonne[(iii)] by Mine

(thousands of United States dollars, except as noted)

LaRonde Mine Per Ounce of Gold Produced[(ii)]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		343,686		348,870		305,788
Production costs	$ 228,294	$ 664	$ 185,488	$ 532	$ 179,496	$ 587
Inventory and other adjustments[(iv)]	(10,475)	(30)	26,246	75	24,914	81
Cash operating costs (co-product basis)	$ 217,819	$ 634	$ 211,734	$ 607	$ 204,410	$ 668
By-product metal revenues	(64,973)	(189)	(70,054)	(201)	(51,136)	(167)
Cash operating costs (by-product basis)	$ 152,846	$ 445	$ 141,680	$ 406	$ 153,274	$ 501

LaRonde Mine Per Tonne[(iii)]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		2,108		2,246		2,240
Production costs	$ 228,294	$ 108	$ 185,488	$ 83	$ 179,496	$ 80

Production costs (C$)	C$	293,094	C$	139	C$	243,638	C$	108	C$	237,934	C$	106
Inventory and other adjustments (C$)[v]		(41,568)		(20)		(1,107)		–		(1,447)		–
Minesite operating costs (C$)	C$	251,526	C$	119	C$	242,531	C$	108	C$	236,487	C$	106

LaRonde Zone 5 Mine Per Ounce of Gold Produced[ii][vi]	Year Ended December 31, 2018		Year Ended December 31, 2017		Year Ended December 31, 2016	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		18,620		–		–
Production costs	$ 12,991	$ 698	$ –	$ –	$ –	$ –
Inventory and other adjustments[iv]	656	35	–	–	–	–
Cash operating costs (co-product basis)	$ 13,647	$ 733	$ –	$ –	$ –	$ –
By-product metal revenues	(21)	(1)	–	–	–	–
Cash operating costs (by-product basis)	$ 13,626	$ 732	$ –	$ –	$ –	$ –

LaRonde Zone 5 Mine Per Tonne[iii][vii]	Year Ended December 31, 2018		Year Ended December 31, 2017		Year Ended December 31, 2016	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		225		–		–
Production costs	$ 12,991	$ 58	$ –	$ –	$ –	$ –
Production costs (C$)	C$ 17,028	C$ 76	C$ –	C$ –	C$ –	C$ –
Inventory and other adjustments (C$)[v]	945	4	–	–	–	–
Minesite operating costs (C$)	C$ 17,973	C$ 80	C$ –	C$ –	C$ –	C$ –

Lapa Mine Per Ounce of Gold Produced[ii][viii]	Year Ended December 31, 2018		Year Ended December 31, 2017		Year Ended December 31, 2016	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		34,026		48,410		73,930
Production costs	$ 27,870	$ 819	$ 38,786	$ 801	$ 52,974	$ 717
Inventory and other adjustments[iv]	1,843	54	(2,143)	(44)	1,173	15
Cash operating costs (co-product basis)	$ 29,713	$ 873	$ 36,643	$ 757	$ 54,147	$ 732
By-product metal revenues	(26)	(1)	(112)	(2)	(28)	–
Cash operating costs (by-product basis)	$ 29,687	$ 872	$ 36,531	$ 755	$ 54,119	$ 732

Lapa Mine Per Tonne[iii]	Year Ended December 31, 2018		Year Ended December 31, 2017		Year Ended December 31, 2016	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		311		398		593

Production costs	$	27,870	$	90	$	38,786	$	97	$	52,974	$	89
Production costs (C$)	C$	35,854	C$	115	C$	50,976	C$	128	C$	69,941	C$	118
Inventory and other adjustments (C$)[v]		2,369		8		(3,166)		(8)		1,580		3
Minesite operating costs (C$)	C$	38,223	C$	123	C$	47,810	C$	120	C$	71,521	C$	121

Goldex Mine **Per Ounce of Gold Produced[ii][ix]**	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		121,167		110,906		120,704
Production costs	$ 78,533	$ 648	$ 71,015	$ 640	$ 63,310	$ 525
Inventory and other adjustments[iv]	(219)	(2)	(3,289)	(29)	912	7
Cash operating costs (co-product basis)	$ 78,314	$ 646	$ 67,726	$ 611	$ 64,222	$ 532
By-product metal revenues	(25)	–	(24)	(1)	(26)	–
Cash operating costs (by-product basis)	$ 78,289	$ 646	$ 67,702	$ 610	$ 64,196	$ 532

Goldex Mine **Per Tonne[iii][x]**	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		2,625		2,396		2,545
Production costs	$ 78,533	$ 30	$ 71,015	$ 30	$ 63,310	$ 25
Production costs (C$)	C$ 101,787	C$ 39	C$ 91,998	C$ 38	C$ 83,835	C$ 33
Inventory and other adjustments (C$)[v]	44	–	(2,404)	(1)	1,231	–
Minesite operating costs (C$)	C$ 101,831	C$ 39	C$ 89,594	C$ 37	C$ 85,066	C$ 33

Meadowbank Mine **Per Ounce of Gold Produced[ii]**	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		248,997		352,526		312,214
Production costs	$ 211,147	$ 848	$ 224,364	$ 636	$ 218,963	$ 701
Inventory and other adjustments[iv]	(5,769)	(23)	(3,127)	(8)	8,105	26
Cash operating costs (co-product basis)	$ 205,378	$ 825	$ 221,237	$ 628	$ 227,068	$ 727
By-product metal revenues	(2,685)	(11)	(4,714)	(14)	(3,837)	(12)
Cash operating costs (by-product basis)	$ 202,693	$ 814	$ 216,523	$ 614	$ 223,231	$ 715

Meadowbank Mine **Per Tonne[iii]**	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*

Tonnes of ore milled (thousands of tonnes)			3,262			3,853		3,915
Production costs	$	211,147	$ 65	$	224,364	$ 58	$ 218,963	$ 56
Production costs (C$)	C$	272,140	C$ 83	C$	292,216	C$ 76	C$ 284,748	C$ 73
Inventory and other adjustments (C$)[v]		(4,477)	(1)		1,512	–	5,681	1
Minesite operating costs (C$)	C$	267,663	C$ 82	C$	293,728	C$ 76	C$ 290,429	C$ 74

Canadian Malartic Mine[i] Per Ounce of Gold Produced[ii]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		348,600		316,731		292,514
Production costs	$ 199,761	$ 573	$ 188,568	$ 595	$ 183,635	$ 628
Inventory and other adjustments[iv]	1,947	6	(497)	(1)	(553)	(2)
Cash operating costs (co-product basis)	$ 201,708	$ 579	$ 188,071	$ 594	$ 183,082	$ 626
By-product metal revenues	(6,806)	(20)	(5,759)	(18)	(5,821)	(20)
Cash operating costs (by-product basis)	$ 194,902	$ 559	$ 182,312	$ 576	$ 177,261	$ 606

Canadian Malartic Mine[i] Per Tonne[iii]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		10,242		10,179		9,821
Production costs	$ 199,761	$ 20	$ 188,568	$ 19	$ 183,635	$ 19
Production costs (C$)	C$ 258,291	C$ 25	C$ 243,903	C$ 24	C$ 244,333	C$ 25
Inventory and other adjustments (C$)[v]	2,972	–	(3,567)	–	(3,399)	–
Minesite operating costs (C$)	C$ 261,263	C$ 25	C$ 240,336	C$ 24	C$ 240,934	C$ 25

Kittila Mine Per Ounce of Gold Produced[ii]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		188,979		196,938		202,508
Production costs	$ 157,032	$ 831	$ 148,272	$ 753	$ 141,871	$ 701
Inventory and other adjustments[iv]	4,374	23	213	1	(26)	(1)
Cash operating costs (co-product basis)	$ 161,406	$ 854	$ 148,485	$ 754	$ 141,845	$ 700
By-product metal revenues	(186)	(1)	(192)	(1)	(200)	(1)
Cash operating costs (by-product basis)	$ 161,220	$ 853	$ 148,293	$ 753	$ 141,645	$ 699

Kittila Mine Per Tonne[iii]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		1,827		1,685		1,667

Production costs	$	157,032	$	86	$	148,272	$	88	$	141,871	$	85
Production costs (€)	€	133,817	€	73	€	131,111	€	78	€	128,599	€	77
Inventory and other adjustments (€) [v]		2,545		2		(79)		–		(505)		–
Minesite operating costs (€)	€	136,362	€	75	€	131,032	€	78	$	128,094	$	77

Pinos Altos Mine Per Ounce of Gold Produced[ii]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		181,057		180,859		192,772
Production costs	$ 138,362	$ 764	$ 108,726	$ 601	$ 114,557	$ 594
Inventory and other adjustments[iv]	(2,767)	(15)	5,926	33	(1,840)	(9)
Cash operating costs (co-product basis)	$ 135,595	$ 749	$ 114,652	$ 634	$ 112,717	$ 585
By-product metal revenues	(36,301)	(201)	(43,169)	(239)	(44,118)	(229)
Cash operating costs (by-product basis)	$ 99,294	$ 548	$ 71,483	$ 395	$ 68,599	$ 356

Pinos Altos Mine Per Tonne[iii]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		2,218		2,308		2,260
Production costs	$ 138,362	$ 62	$ 108,726	$ 47	$ 114,557	$ 51
Inventory and other adjustments[v]	(3,061)	(1)	6,065	3	(3,698)	(2)
Minesite operating costs	$ 135,301	$ 61	$ 114,791	$ 50	$ 110,859	$ 49

Creston Mascota Mine Per Ounce of Gold Produced[ii]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		40,180		48,384		47,296
Production costs	$ 37,270	$ 928	$ 31,490	$ 651	$ 27,341	$ 578
Inventory and other adjustments[iv]	1,326	33	862	18	472	10
Cash operating costs (co-product basis)	$ 38,596	$ 961	$ 32,352	$ 669	$ 27,813	$ 588
By-product metal revenues	(4,818)	(120)	(4,535)	(94)	(3,426)	(72)
Cash operating costs (by-product basis)	$ 33,778	$ 841	$ 27,817	$ 575	$ 24,387	$ 516

Creston Mascota Mine Per Tonne[iii]	**Year Ended December 31, 2018**		**Year Ended December 31, 2017**		**Year Ended December 31, 2016**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		1,422		2,196		2,119
Production costs	$ 37,270	$ 26	$ 31,490	$ 14	$ 27,341	$ 13
Inventory and other adjustments[v]	853	1	559	1	(77)	–
Minesite operating costs	$ 38,123	$ 27	$ 32,049	$ 15	$ 27,264	$ 13

La India Mine Per Ounce of Gold Produced[ii]	Year Ended December 31, 2018		Year Ended December 31, 2017		Year Ended December 31, 2016	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		101,357		101,150		115,162
Production costs	$ 69,095	$ 682	$ 61,133	$ 604	$ 49,745	$ 432
Inventory and other adjustments[iv]	3,084	30	2,958	30	4,189	36
Cash operating costs (co-product basis)	$ 72,179	$ 712	$ 64,091	$ 634	$ 53,934	$ 468
By-product metal revenues	(2,777)	(27)	(5,392)	(54)	(8,453)	(73)
Cash operating costs (by-product basis)	$ 69,402	$ 685	$ 58,699	$ 580	$ 45,481	$ 395

La India Mine Per Tonne[iii]	Year Ended December 31, 2018		Year Ended December 31, 2017		Year Ended December 31, 2016	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		6,128		5,965		5,837
Production costs	$ 69,095	$ 11	$ 61,133	$ 10	$ 49,745	$ 9
Inventory and other adjustments[v]	2,109	1	1,545	1	2,909	–
Minesite operating costs	$ 71,204	$ 12	$ 62,678	$ 11	$ 52,654	$ 9

Notes:

(i) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.

(ii) 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 presented on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without 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 (loss) for by-product metal revenues, inventory production costs, smelting, refining and marketing charges, 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 and other adjustments 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 analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

(iii) Minesite costs per tonne is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. This measure is calculated by adjusting production costs as shown in the consolidated statements of income (loss) for inventory production costs and other adjustments, and then dividing by tonnes of ore milled. As the total cash costs per ounce of gold produced measure can be 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.

(iv) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon the transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.

(v) This inventory and other adjustment reflects production costs associated with the portion of production still in inventory and smelting, refining and marketing charges associated with production.

(vi) The LaRonde Zone 5 mine's per ounce of gold production calculations for the year ended December 31, 2017 exclude 515 ounces of payable gold production and the associated costs which were produced prior to the achievement of commercial production on June 1, 2018.

(vii) The LaRonde Zone 5 mine's per tonne calculations for the year ended December 31, 2017 exclude 7,709 tonnes and the associated costs which were processed prior to the achievement of commercial production on June 1, 2018.

(viii) The Lapa mine's per ounce of gold production calculations for the year ended December 31, 2017 exclude 203 ounces of payable gold production as a result of the Lapa mill being placed on temporary maintenance.

(ix) The Goldex mine's per ounce of gold production calculations for the year ended December 31, 2017 exclude 8,041 ounces of payable gold production and the associated costs related to the Deep 1 Zone which were produced prior to the achievement of commercial production.

(x) The Goldex mine's per tonne calculations for the year ended December 31, 2017 exclude 175,514 tonnes processed and the associated costs related to the Deep 1 Zone which were processed prior to the achievement of commercial production.

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 helpful information about operating performance. However, this non-GAAP measure should be considered together with other data prepared in accordance with IFRS as it is not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

All-in sustaining costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). 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.

The following table sets out a reconciliation of production costs to all-in sustaining costs per ounce of gold produced for the years ended December 31, 2018, December 31, 2017 and December 31, 2016 on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues).

Reconciliation of Production Costs to All-in Sustaining Costs per Ounce of Gold Produced

(United States dollars per ounce of gold produced, except where noted)	**Year Ended December 31, 2018**	**Year Ended December 31, 2017**	**Year Ended December 31, 2016**
Production costs per the consolidated statements of income (loss) (thousands of United States dollars)	$1,160,355	$1,057,842	$1,031,892
Adjusted gold production (ounces) [(i)(ii)(iii)]	1,626,669	1,704,774	1,662,888
Production costs per ounce of adjusted gold production [(i)(ii)(iii)]	$713	$621	$621
Adjustments:			
Inventory and other adjustments [(iv)]	(3)	16	22
Total cash costs per ounce of gold produced (co-product basis) [(v)]	$710	$637	$643
By-product metal revenues	(73)	(79)	(70)
Total cash costs per ounce of gold produced (by-product basis) [(v)]	$637	$558	$573
Adjustments:			
Sustaining capital expenditures (including capitalized exploration)	159	176	187
General and administrative expenses (including stock options)	77	67	62
Non-cash reclamation provision and other	4	3	2
All-in sustaining costs per ounce of gold produced (by-product basis)	$877	$804	$824
By-product metal revenues	73	79	70
All-in sustaining costs per ounce of gold produced (co-product basis)	$950	$883	$894

Notes:

(i) Adjusted gold production for the year ended December 31, 2017 excludes 8,041 ounces of payable gold production at the Goldex mine's Deep 1 Zone which were produced prior to the achievement of commercial production.

(ii) Adjusted gold production for the year ended December 31, 2017 excludes 515 ounces of payable gold production at the LaRonde Zone 5 mine which were produced prior to the achievement of commercial production on June 1, 2018.

(iii) Adjusted gold production for the year ended December 31, 2017 excludes 203 ounces of payable gold production at the Lapa mine as the result of Lapa mill being placed on temporary maintenance.

(iv) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.

(v) 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 presented on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without 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 (loss) for by-product metal revenues, inventory production costs or 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 and other adjustments 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 analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

AGNICO EAGLE MINES LIMITED
SUMMARIZED QUARTERLY DATA
(thousands of United States dollars, except where noted)

	Three Months Ended				
	March 31, 2018	**June 30, 2018**	**September 30, 2018**	**December 31, 2018**	**Total 2018**
Operating margin[(i)]:					
Revenues from mining operations	$ 578,435	$ 556,282	$ 518,683	$ 537,821	$ 2,191,221
Production costs	295,326	303,695	276,862	284,472	1,160,355
Total operating margin[(i)]	283,109	252,587	241,821	253,349	1,030,866
Operating margin[(i)] by mine:					
Northern Business					
LaRonde mine	89,760	74,517	65,405	58,697	288,379
LaRonde Zone 5 mine	–	334	2,402	5,600	8,336
Lapa mine	289	6,303	1,467	3,868	11,927
Goldex mine	18,052	18,686	17,837	19,318	73,893
Meadowbank mine	30,193	21,001	32,816	27,985	111,995
Canadian Malartic mine[(ii)]	62,261	67,680	58,478	60,346	248,765
Kittila mine	23,309	15,312	19,115	22,516	80,252
Southern Business					
Pinos Altos mine	37,219	29,620	29,072	36,582	132,493
Creston Mascota mine	7,636	3,313	1,660	4,794	17,403
La India mine	14,390	15,821	13,569	13,643	57,423
Total operating margin[(i)]	283,109	252,587	241,821	253,349	1,030,866
Impairment loss	–	–	–	389,693	389,693
Amortization of property, plant and mine development	134,370	138,469	143,859	137,235	553,933
Exploration, corporate and other	79,386	73,710	79,502	113,694	346,292
Income (loss) before income and mining taxes	69,353	40,408	18,460	(387,273)	(259,052)
Income and mining taxes	24,423	35,436	1,407	6,383	67,649
Net income (loss) for the period	$ 44,930	$ 4,972	$ 17,053	$ (393,656)	$ (326,701)
Net income (loss) per share – basic (US$)	$ 0.19	$ 0.02	$ 0.07	$ (1.68)	$ (1.40)
Net income (loss) per share – diluted (US$)	$ 0.19	$ 0.02	$ 0.07	$ (1.68)	$ (1.40)
Cash flows:					
Cash provided by operating activities	$ 207,706	$ 120,087	$ 137,573	$ 140,284	$ 605,650
Cash used in investing activities	$ (354,717)	$ (201,405)	$ (311,870)	$ (336,376)	$ (1,204,368)

Cash (used in) provided by financing activities	$	(34,348)	$	340,498	$	(13,952)	$	(18,099)	$	274,099

	Three Months Ended				
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	Total 2018
Realized prices (US$):					
Gold (per ounce)	$ 1,332	$ 1,293	$ 1,204	$ 1,235	$ 1,266
Silver (per ounce)	$ 16.76	$ 16.43	$ 14.20	$ 14.53	$ 15.51
Zinc (per tonne)	$ 3,439	$ 3,144	$ 2,615	$ 2,568	$ 3,034
Copper (per tonne)	$ 7,201	$ 6,760	$ 5,900	$ 6,126	$ 6,543
Payable production[iii]:					
Gold (ounces)					
Northern Business					
LaRonde mine	89,785	84,526	88,353	81,022	343,686
LaRonde Zone 5 mine	–	4,601	3,823	10,196	18,620
Lapa mine	1,722	14,533	10,464	7,307	34,026
Goldex mine	27,924	30,480	31,255	31,508	121,167
Meadowbank mine	61,447	59,627	68,259	59,664	248,997
Canadian Malartic mine[ii]	83,403	91,863	88,602	84,732	348,600
Kittila mine	48,118	42,049	49,459	49,353	188,979
Southern Business					
Pinos Altos mine	41,836	43,646	46,405	49,170	181,057
Creston Mascota mine	11,988	8,716	8,024	11,452	40,180
La India mine	23,055	24,920	27,074	26,308	101,357
Total gold (ounces)	389,278	404,961	421,718	410,712	1,626,669
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	367	234	234	205	1,040
LaRonde Zone 5 mine	–	–	1	1	2
Lapa mine	–	1	–	1	2
Goldex mine	–	1	–	–	1
Meadowbank mine	60	48	35	28	171
Canadian Malartic mine[ii]	106	117	110	104	437
Kittila mine	3	3	3	4	13
Southern Business					
Pinos Altos mine	541	538	658	631	2,368
Creston Mascota mine	91	77	59	83	310
La India mine	45	37	44	54	180

Total silver (thousands of ounces)	1,213	1,056	1,144	1,111	4,524
Zinc (tonnes)	1,046	2,778	872	3,168	7,864
Copper (tonnes)	1,292	961	1,026	914	4,193

Payable metal sold:

Gold (ounces)					
Northern Business					
LaRonde mine	101,825	94,868	86,292	81,831	364,816
LaRonde Zone 5 mine	–	683	7,155	9,631	17,469
Lapa mine	613	13,286	6,335	11,640	31,874
Goldex mine	27,458	30,531	30,884	31,748	120,621
Meadowbank mine	68,125	59,126	67,153	58,610	253,014
Canadian Malartic mine[(ii)(iv)]	77,045	84,920	84,303	84,352	330,620
Kittila mine	49,780	41,758	48,340	47,993	187,871
Southern Business					
Pinos Altos mine	46,360	43,653	44,714	50,717	185,444
Creston Mascota mine	11,889	9,499	7,795	10,409	39,592
La India mine	22,030	25,362	26,005	25,067	98,464
Total gold (ounces)	405,125	403,686	408,976	411,998	1,629,785
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	362	249	225	207	1,043
LaRonde Zone 5 mine	–	–	1	–	1
Lapa mine	–	1	–	1	2
Goldex mine	–	1	–	1	2
Meadowbank mine	58	51	35	26	170
Canadian Malartic mine[(ii)(iv)]	87	107	110	90	394
Kittila mine	4	2	3	4	13
Southern Business					
Pinos Altos mine	611	528	659	644	2,442
Creston Mascota mine	86	81	59	75	301
La India mine	47	41	37	51	176
Total silver (thousands of ounces)	1,255	1,061	1,129	1,099	4,544
Zinc (tonnes)	2,530	2,979	1,118	1,896	8,523
Copper (tonnes)	1,288	945	1,036	926	4,195

AGNICO EAGLE MINES LIMITED
SUMMARIZED QUARTERLY DATA
(thousands of United States dollars, except where noted)

	Three Months Ended				
	March 31, 2017	**June 30, 2017[v]**	**September 30, 2017[v]**	**December 31, 2017[v]**	**Total 2017[v]**
Operating margin[i]:					
Revenues from mining operations	$ 547,459	$ 549,883	$ 580,008	$ 565,254	$ 2,242,604
Production costs	240,339	267,641	262,173	287,689	$ 1,057,842
Total operating margin[i]	307,120	282,242	317,835	277,565	1,184,762
Operating margin[i] by mine:					
Northern Business					
LaRonde mine	70,702	54,062	100,550	73,686	299,000
Lapa mine	6,205	8,189	9,825	1,567	25,786
Goldex mine	20,854	15,990	18,274	13,532	68,650
Meadowbank mine	57,473	62,668	55,324	49,196	224,661
Canadian Malartic mine[ii]	51,586	51,237	56,702	56,348	215,873
Kittila mine	29,841	21,741	25,662	23,245	100,489
Southern Business					
Pinos Altos mine	42,033	41,138	29,445	36,563	149,179
Creston Mascota mine	8,057	8,114	6,993	9,144	32,308
La India mine	20,369	19,103	15,060	14,284	68,816
Total operating margin[i]	307,120	282,242	317,835	277,565	1,184,762
Amortization of property, plant and mine development	132,509	128,440	118,312	129,478	508,739
Exploration, corporate and other	71,964	90,122	92,776	81,872	336,734
Income before income and mining taxes	102,647	63,680	106,747	66,215	339,289
Income and mining taxes (recovery)	26,697	8,804	34,278	28,715	98,494
Net income for the period	$ 75,950	$ 54,876	$ 72,469	$ 37,500	$ 240,795
Net income per share – basic (US$)	$ 0.33	$ 0.24	$ 0.31	$ 0.16	$ 1.05
Net income per share – diluted (US$)	$ 0.33	$ 0.23	$ 0.31	$ 0.16	$ 1.04
Cash flows:					
Cash provided by operating activities	$ 222,611	$ 183,950	$ 194,066	$ 166,930	$ 767,557
Cash used in investing activities	$ (153,687)	$ (203,444)	$ (265,617)	$ (377,304)	$ (1,000,052)
Cash (used in) provided by financing activities	$ 181,571	$ 169,836	$ (12,139)	$ (10,101)	$ 329,167

Realized prices (US$):

Gold (per ounce)	$ 1,223	$ 1,260	$ 1,282	$ 1,279	$ 1,261
Silver (per ounce)	$ 17.62	$ 17.03	$ 16.92	$ 16.72	$ 17.07
Zinc (per tonne)	$ 2,782	$ 2,642	$ 2,780	$ 3,215	$ 2,829
Copper (per tonne)	$ 6,277	$ 5,660	$ 6,412	$ 6,806	$ 6,345

Payable production[iii]:

Gold (ounces)					
Northern Business					
LaRonde mine	78,912	72,090	105,860	92,523	349,385
Lapa mine	15,360	15,881	17,169	203	48,613
Goldex mine	32,671	30,337	28,906	27,033	118,947
Meadowbank mine	85,370	95,289	86,821	85,046	352,526
Canadian Malartic mine[ii]	71,382	82,509	82,097	80,743	316,731
Kittila mine	51,621	47,156	50,415	47,746	196,938
Southern Business					
Pinos Altos mine	45,360	48,196	46,897	40,406	180,859
Creston Mascota mine	11,244	12,074	11,054	14,012	48,384
La India mine	26,296	24,211	25,143	25,500	101,150
Total gold (ounces)	418,216	427,743	454,362	413,212	1,713,533
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	272	337	285	360	1,254
Lapa mine	1	1	1	–	3
Goldex mine	–	1	–	–	1
Meadowbank mine	71	65	72	67	275
Canadian Malartic mine[ii]	84	89	80	88	341
Kittila mine	3	3	4	3	13
Southern Business					
Pinos Altos mine	583	645	695	612	2,535
Creston Mascota mine	56	70	71	84	281
La India mine	128	74	60	51	313
Total silver (thousands of ounces)	1,198	1,285	1,268	1,265	5,016
Zinc (tonnes)	1,005	1,724	1,771	2,010	6,510
Copper (tonnes)	1,272	907	1,056	1,266	4,501

Payable metal sold:

Gold (ounces)					
Northern Business					
LaRonde mine	85,456	72,706	103,483	91,795	353,440
Lapa mine	15,407	15,870	16,843	2,808	50,928
Goldex mine	33,212	30,165	28,026	27,797	119,200
Meadowbank mine	90,555	92,038	89,923	80,990	353,506
Canadian Malartic mine[(ii)(iv)]	63,860	77,380	74,040	83,750	299,030
Kittila mine	53,900	46,210	49,513	48,079	197,702
Southern Business					
Pinos Altos mine	45,133	47,839	35,704	44,350	173,026
Creston Mascota mine	11,626	11,414	10,763	13,448	47,251
La India mine	25,680	26,251	23,781	23,979	99,691
Total gold (ounces)	424,829	419,873	432,076	416,996	1,693,774
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	288	319	296	348	1,251
Lapa mine	–	6	–	1	7
Goldex mine	–	1	–	–	1
Meadowbank mine	63	73	54	85	275
Canadian Malartic mine[(ii)(iv)]	79	75	85	90	329
Kittila mine	2	3	4	2	11
Southern Business					
Pinos Altos mine	606	586	550	655	2,397
Creston Mascota mine	50	70	63	82	265
La India mine	129	86	51	50	316
Total silver (thousands of ounces)	1,217	1,219	1,103	1,313	4,852
Zinc (tonnes)	2,136	1,645	1,314	1,221	6,316
Copper (tonnes)	1,229	885	1,157	1,328	4,599

Notes:

(i) Operating margin is calculated as revenues from mining operations less production costs.

(ii) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.

(iii) Payable production (a non-GAAP non-financial performance measure) is the quantity of mineral produced during a period contained in products that are or will be sold by the Company, whether such products are sold during the period or held as inventories at the end of the period.

(iv) The Canadian Malartic mine's payable metal sold excludes the 5.0% net smelter royalty transferred to Osisko Gold Royalties Ltd., pursuant to the Osisko Arrangement.

(v) The Company has adopted IFRS 9 effective January 1, 2018 on a retrospective basis and the comparative amounts have been adjusted accordingly. For more information please see Note 3 in the Company's consolidated financial statements.

AGNICO EAGLE MINES LIMITED
THREE YEAR FINANCIAL AND OPERATING SUMMARY
(thousands of United States dollars, except where noted)

	2018	2017[xi]	2016
Revenues from mining operations	$ 2,191,221	$ 2,242,604	$ 2,138,232
Production costs	1,160,355	1,057,842	1,031,892
Operating margin[i]	1,030,866	1,184,762	1,106,340
Amortization of property, plant and mine development	553,933	508,739	613,160
Impairment loss (reversal)	389,693	–	(120,161)
Exploration, corporate and other	346,292	336,734	344,880
Income (loss) before income and mining taxes	(259,052)	339,289	268,461
Income and mining taxes	67,649	98,494	109,637
Net income (loss) for the year	$ (326,701)	$ 240,795	$ 158,824
Net income (loss) per share – basic	$ (1.40)	$ 1.05	$ 0.71
Net income (loss) per share – diluted	$ (1.40)	$ 1.04	$ 0.70
Operating cash flow	$ 605,650	$ 767,557	$ 778,617
Investing cash flow	$ (1,204,368)	$ (1,000,052)	$ (553,490)
Financing cash flow	$ 274,099	$ 329,167	$ 190,386
Dividends declared per share	$ 0.44	$ 0.41	$ 0.36
Capital expenditures per Consolidated Statements of Cash Flows	$ 1,089,100	$ 874,153	$ 516,050
Average gold price per ounce realized	$ 1,266	$ 1,261	$ 1,249
Average silver price per ounce realized	$ 15.51	$ 17.07	$ 17.28
Average zinc price per tonne realized	$ 3,034	$ 2,829	$ 2,047
Average copper price per tonne realized	$ 6,543	$ 6,345	$ 4,827
Weighted average number of common shares outstanding – basic (thousands)	233,251	230,252	222,737
Working capital (including undrawn credit lines)	$ 1,910,978	$ 2,326,939	$ 2,005,785
Total assets	$ 7,852,843	$ 7,865,601	$ 7,107,951
Long-term debt	$ 1,721,308	$ 1,371,851	$ 1,072,790
Shareholders' equity	$ 4,550,012	$ 4,946,991	$ 4,492,474

Operating Summary

LaRonde mine			
Revenues from mining operations	$ 516,673	$ 484,488	$ 388,180
Production costs	228,294	185,488	179,496
Operating margin[(i)]	$ 288,379	$ 299,000	$ 208,684
Amortization of property, plant and mine development	94,406	82,979	85,292
Gross profit	$ 193,973	$ 216,021	$ 123,392
Tonnes of ore milled	2,108,068	2,246,114	2,240,144
Gold – grams per tonne	5.32	5.05	4.44
Gold production – ounces	343,686	348,870	305,788
Silver production – thousands of ounces	1,040	1,254	988
Zinc production – tonnes	7,864	6,510	4,687
Copper production – tonnes	4,193	4,501	4,416
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 664	$ 532	$ 587
Adjustments:			
Inventory and other adjustments[(ii)]	(30)	75	81
Total cash costs per ounce of gold produced – co-product basis[(iii)]	$ 634	$ 607	$ 668
By-product metal revenues	(189)	(201)	(167)
Total cash costs per ounce of gold produced – by-product basis[(iii)]	$ 445	$ 406	$ 501
Minesite costs per tonne[(iv)]	C$ 119	C$ 108	C$ 106
LaRonde Zone 5 mine			
Revenues from mining operations	$ 21,327	$ –	$ –
Production costs	12,991	–	–
Operating margin[(i)]	$ 8,336	$ –	$ –
Amortization of property, plant and mine development	1,658	–	–
Gross profit	$ 6,678	$ –	$ –
Tonnes of ore milled	224,643	7,709	–
Gold – grams per tonne	2.76	–	–
Gold production – ounces	18,620	515	–

Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	698	$	–	$	–
Adjustments:						
Inventory and other adjustments [ii]		35		–		–
Total cash costs per ounce of gold produced – co-product basis [iii][v]	$	733	$	–	$	–
By-product metal revenues		(1)		–		–
Total cash costs per ounce of gold produced – by-product basis [iii][v]	$	732	$	–	$	–
Minesite costs per tonne[iv][vi]	C$	80	C$	–	C$	–
Lapa mine						
Revenues from mining operations	$	39,797	$	64,572	$	92,160
Production costs		27,870		38,786		52,974
Operating margin [i]	$	11,927	$	25,786	$	39,186
Amortization of property, plant and mine development		268		1,736		30,915
Gross profit	$	11,659	$	24,050	$	8,271
Tonnes of ore milled		311,013		398,248		592,683
Gold – grams per tonne		4.24		4.24		4.64
Gold production – ounces		34,026		48,613		73,930
Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	819	$	801	$	717
Adjustments:						
Inventory and other adjustments [ii]		54		(44)		15
Total cash costs per ounce of gold produced – co-product basis [iii][vii]	$	873	$	757	$	732
By-product metal revenues		(1)		(2)		–
Total cash costs per ounce of gold produced – by-product basis [iii][vii]	$	872	$	755	$	732
Minesite costs per tonne[iv]	C$	123	C$	120	C$	121
Goldex mine						
Revenues from mining operations	$	152,426	$	139,665	$	149,730
Production costs		78,533		71,015		63,310
Operating margin [i]	$	73,893	$	68,650	$	86,420
Amortization of property, plant and mine development		37,390		36,488		41,278
Gross profit	$	36,503	$	32,162	$	45,142

Tonnes of ore milled	2,624,682	2,572,014	2,545,300
Gold – grams per tonne	1.54	1.53	1.60
Gold production – ounces	121,167	118,947	120,704
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 648	$ 640	$ 525
Adjustments:			
Inventory and other adjustments [ii]	(2)	(29)	7
Total cash costs per ounce of gold produced – co-product basis [iii][viii]	$ 646	$ 611	$ 532
By-product metal revenues	–	(1)	–
Total cash costs per ounce of gold produced – by-product basis [iii][viii]	$ 646	$ 610	$ 532
Minesite costs per tonne[iv][ix]	C$ 39	C$ 37	C$ 33
Meadowbank mine			
Revenues from mining operations	$ 323,142	$ 449,025	$ 384,023
Production costs	211,147	224,364	218,963
Operating margin [i]	$ 111,995	$ 224,661	$ 165,060
Amortization of property, plant and mine development	83,361	74,130	122,545
Gross profit	$ 28,634	$ 150,531	$ 42,515
Tonnes of ore milled	3,263,040	3,853,034	3,915,102
Gold – grams per tonne	2.56	3.12	2.70
Gold production – ounces	248,997	352,526	312,214
Silver production – thousands of ounces	171	275	221
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 848	$ 636	$ 701
Adjustments:			
Inventory and other adjustments [ii]	(23)	(8)	26
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 825	$ 628	$ 727
By-product metal revenues	(11)	(14)	(12)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 814	$ 614	$ 715
Minesite costs per tonne[iv]	C$ 82	C$ 76	C$ 74

Canadian Malartic mine [x]

Revenues from mining operations	$	448,526	$	404,441	$	371,920
Production costs		199,761		188,568		183,635
Operating margin [i]	$	248,765	$	215,873	$	188,285
Amortization of property, plant and mine development		126,422		122,368		117,665
Gross profit	$	122,343	$	93,505	$	70,621
Tonnes of ore milled		10,241,870		10,178,803		9,820,696
Gold – grams per tonne		1.20		1.09		1.04
Gold production – ounces		348,600		316,731		292,514
Silver production – thousands of ounces		437		341		340
Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	573	$	595	$	628
Adjustments:						
Inventory and other adjustments [ii]		6		(1)		(2)
Total cash costs per ounce of gold produced – co-product basis [iii]	$	579	$	594	$	626
By-product metal revenues		(20)		(18)		(20)
Total cash costs per ounce of gold produced – by-product basis [iii]	$	559	$	576	$	606
Minesite costs per tonne [iv]	C$	25	C$	24	C$	25

Kittila mine

Revenues from mining operations	$	237,284	$	248,761	$	252,346
Production costs		157,032		148,272		141,871
Operating margin [i]	$	80,252	$	100,489	$	110,475
Amortization of property, plant and mine development		71,732		58,682		57,361
Gross profit	$	8,520	$	41,807	$	53,114
Tonnes of ore milled		1,827,335		1,684,626		1,666,732
Gold – grams per tonne		3.80		4.15		4.41
Gold production – ounces		188,979		196,938		202,508
Silver production – thousands of ounces		13		13		12

Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 831	$ 753	$ 701
Adjustments:			
Inventory and other adjustments [ii]	23	1	(1)
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 854	$ 754	$ 700
By-product metal revenues	(1)	(1)	(1)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 853	$ 753	$ 699
Minesite costs per tonne [iv]	€ 75	€ 78	€ 77
Pinos Altos mine			
Revenues from mining operations	$ 270,855	$ 257,905	$ 294,377
Production costs	138,362	108,726	114,557
Operating margin [i]	$ 132,493	$ 149,179	$ 179,820
Amortization of property, plant and mine development	70,203	59,970	64,101
Gross profit	$ 62,290	$ 89,209	$ 115,719
Tonnes of ore processed	2,217,979	2,307,872	2,260,155
Gold – grams per tonne	2.96	2.86	3.04
Gold production – ounces	181,057	180,859	192,772
Silver production – thousands of ounces	2,368	2,535	2,505
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 764	$ 601	$ 594
Adjustments:			
Inventory and other adjustments [ii]	(15)	33	(9)
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 749	$ 634	$ 585
By-product metal revenues	(201)	(239)	(229)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 548	$ 395	$ 356
Minesite costs per tonne [iv]	$ 61	$ 50	$ 49
Creston Mascota mine			
Revenues from mining operations	$ 54,673	$ 63,798	$ 62,967
Production costs	37,270	31,490	27,341
Operating margin [i]	$ 17,403	$ 32,308	$ 35,626
Amortization of property, plant and mine development	18,465	22,605	18,898
Gross profit	$ (1,062)	$ 9,703	$ 16,728

Tonnes of ore processed	1,422,411	2,195,655	2,119,245
Gold – grams per tonne	1.03	1.23	1.12
Gold production – ounces	40,180	48,384	47,296
Silver production – thousands of ounces	310	281	201
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 928	$ 651	$ 578
Adjustments:			
Inventory and other adjustments [ii]	33	18	10
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 961	$ 669	$ 588
By-product metal revenues	(120)	(94)	(72)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 841	$ 575	$ 516
Minesite costs per tonne [iv]	$ 27	$ 15	$ 13
La India mine			
Revenues from mining operations	$ 126,518	$ 129,949	$ 142,529
Production costs	69,095	61,133	49,745
Operating margin [i]	$ 57,423	$ 68,816	$ 92,784
Amortization of property, plant and mine development	48,329	46,918	72,043
Gross profit	$ 9,094	$ 21,898	$ 20,741
Tonnes of ore processed	6,127,526	5,965,250	5,837,404
Gold – grams per tonne	0.72	0.69	0.81
Gold production – ounces	101,357	101,150	115,162
Silver production – thousands of ounces	180	313	486
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 682	$ 604	$ 432
Adjustments:			
Inventory and other adjustments [ii]	30	30	36
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 712	$ 634	$ 468
By-product metal revenues	(27)	(54)	(73)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 685	$ 580	$ 395
Minesite costs per tonne [iv]	$ 12	$ 11	$ 9

Notes:

(i) Operating margin is calculated as revenues from mining operations less production costs.
(ii) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon the transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.
(iii) 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 (without 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 (loss) 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 and other adjustments 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 analysis in order to quantify the effects of fluctuating metal prices and exchange rates.
(iv) Minesite costs per tonne is not a recognized measure under IFRS and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as shown in the consolidated statements of income (loss) 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) The LaRonde Zone 5 mine's per ounce of gold production calculations exclude 515 ounces for the year ended December 31, 2017 of payable gold production and the associated costs which were produced prior to the achievement of commercial production on June 1, 2018.
(vi) The LaRonde Zone 5 mine's per tonne calculations exclude 7,709 tonnes for the year ended December 31, 2017 and the associated costs which were processed prior to the achievement of commercial production on June 1, 2018.
(vii) The Lapa mine's data presented on a per ounce of gold produced basis for the year ended December 31, 2017 excludes 203 ounces of payable gold production as a result of the Lapa mill being placed on temporary maintenance.
(viii) The Goldex mine's per ounce of gold production calculations for the year ended December 31, 2017 exclude 8,041 ounces of payable gold production and the associated costs related to the Deep 1 Zone which were produced prior to the achievement of commercial production.
(ix) The Goldex mine's per tonne calculations for the year ended December 31, 2017 exclude 175,514 tonnes processed and the associated costs related to the Deep 1 Zone which were processed prior to the achievement of commercial production.
(x) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.
(xi) The Company has adopted IFRS 9 effective January 1, 2018 on a retrospective basis and the comparative amounts have been adjusted accordingly. For more information please see Note 3 in the Company's consolidated financial statements.

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 2018
AGNICO EAGLE MINES LIMITED SUMMARIZED QUARTERLY DATA (thousands of United States dollars, except where noted)
AGNICO EAGLE MINES LIMITED SUMMARIZED QUARTERLY DATA (thousands of United States dollars, except where noted)
AGNICO EAGLE MINES LIMITED THREE YEAR FINANCIAL AND OPERATING SUMMARY (thousands of United States dollars, except where noted)

Exhibit 99.4

Rule 13a-14(a) or Rule 15d-14(a) Certification - CEO

I, Sean Boyd, certify that:

1. I have reviewed this annual report on Form 40-F of Agnico Eagle Mines Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Toronto, Canada
March 26, 2019

/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 26, 2019

/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, 2018 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 26, 2019

/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, 2018 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 26, 2019

/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, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (the “Annual Report”), and the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-221636), Form F-3D (registration no. 333-215096) and Form S-8 (registration nos. 333-130339 and 333-152004), of our reports dated March 26, 2019 with respect to the consolidated financial statements of Agnico Eagle Mines Limited as of December 31, 2018 and December 31, 2017 and for each of the years then ended and with respect to the effectiveness of internal control over financial reporting of Agnico Eagle Mines Limited as of December 31, 2018, which reports appear in the Annual Report.

Toronto, Canada
March 26, 2019

/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, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/s/ Daniel Doucet
Daniel Doucet
Senior Corporate Director, Reserve Development

Exhibit 99.10

CONSENT OF SYLVIE LAMPRON

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/s/ Sylvie Lampron
Sylvie Lampron
Senior Project Mine Engineer at Canadian Malartic Corporation

Exhibit 99.11

CONSENT OF PASCAL LEHOUILLER

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/s/ Pascal Lehouiller

Pascal Lehouiller
Senior Resource Geologist 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, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/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, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/s/ Louise Grondin

Louise Grondin
Senior Vice-President, Environment, Sustainable Development and People

Exhibit 99.14

CONSENT OF MARC LEGAULT

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/s/ Marc Legault
Marc Legault
Senior Vice-President, Operations — U.S.A., Mexico & Latin America

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, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/s/ Paul Cousin
Paul Cousin
Vice-President, Operational Sustainability

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, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/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, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/s/ Dominique Girard
Dominique Girard
Vice-President, 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, 2018 filed with the Securities and Exchange Commission on March 26, 2019 (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 26, 2019 (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. 333-221636), 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 26, 2019

/s/ Christian Provencher
Christian Provencher
Vice-President, Canada