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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, 2020
Commission file number: 001-13422

AGNICO EAGLE MINES LIMITED

(Exact name of Registrant as specified in its charter)

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

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

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

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

Common Shares, without par value	**AEM**	**New York Stock Exchange**
(Title of each class)	*(Trading Symbol(s))*	*(Name of each 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.

243,301,195 Common Shares as of December 31, 2020

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ý

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

EXPLANATORY NOTE

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

FORWARD-LOOKING INFORMATION

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

- the Company's outlook for 2021 and future periods;
- statements regarding future earnings and the sensitivity of earnings to gold and other metal prices;
- anticipated levels or trends for prices of gold and by product metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;
- estimates of future mineral production and sales;
- estimates of future costs, including mining costs, total cash costs per ounce, all in sustaining costs per ounce, minesite costs per tonne and other costs;
- estimates of future capital expenditures, exploration expenditures and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;
- estimates of mineral reserves and mineral resources and their sensitivities to gold prices and other factors, ore grades and mineral recoveries and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events at the Company's mines, mine development projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulations, including with respect to climate change, and estimates of the impact on the Company;
- other anticipated trends with respect to the Company's capital resources and results of operations; and
- statements regarding the impact of the COVID 19 pandemic and measures taken to reduce the spread of COVID 19 on the Company's operations and overall business.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Agnico Eagle as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions of Agnico Eagle upon which the forward-looking statements in this 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 governments, the Company or others do not take other measures in response to the COVID-19 pandemic or

otherwise that, individually or in the aggregate, materially affect the Company's ability to operate its business; that measures taken in connection with the COVID-19 pandemic do not affect productivity; that measures taken relating to, or other effects of, the COVID-19 pandemic do not affect the Company's ability to obtain necessary supplies and deliver them to its mine sites; 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, pandemics, mining or milling issues, political changes, title issues, community protests, including by First Nations groups, or otherwise; that permitting, development, expansion and the ramp up of operations at each of Agnico Eagle's mines, mine development projects and exploration projects proceed on a basis consistent with expectations and that Agnico Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, Euro, Mexican peso and the U.S. dollar will be approximately consistent with current levels or as set out in this 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; that seismic activity at the Company's operations at LaRonde and other properties is as expected by the Company; that the Company's current plans to optimize production are successful; and that there are no material variations in the current tax and regulatory environments that affect Agnico Eagle.

The forward-looking statements in this Form 40-F reflect the Company's views as at the date hereof and involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the risk factors set out under "Risk Factors" on page 74 of the Company's annual information form for the year ended December 31, 2020, 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, minesite costs per tonne and operating margin 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, 2021, 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$1.2513.

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

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

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

As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended the definitions of "proven mineral reserves" and "probable mineral reserves" in the SEC Modernization Rules, with definitions that are substantially similar to those used in NI 43-101. United States investors are cautioned that while the SEC now recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. These terms have a great amount of uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that the Company reports herein are or will be economically or legally mineable. Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that any part or all of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian regulations, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in limited circumstances. Investors are cautioned not to assume that any part or all of an inferred mineral resource exists, or is or will ever be economically or legally mineable.

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

NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE

This Form 40-F presents certain measures, including "total cash costs per ounce", "all-in sustaining costs per ounce", "minesite costs per tonne" and "operating margin", that are not recognized measures under International Financial Reporting Standards ("IFRS"). These measures may not be comparable to measures presented by other gold mining companies. For a reconciliation of these measures to the most directly comparable financial information presented in the consolidated financial statements prepared in accordance with IFRS, and for an explanation of how management uses these measures, please see the Company's management's discussion and analysis for the year ended December 31, 2020, 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, 2020 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, 2020, 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, 2020. 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, 2020, the Company's internal control over financial reporting was effective.

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

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

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

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

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

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

During the year ended December 31, 2020, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

The Company did not send any notices required by Rule 104 of Regulation BTR during the year ended December 31, 2020 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

IDENTIFICATION OF THE AUDIT COMMITTEE

The Board has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee is composed of Mr. Jamie Sokalsky (Chair), Mr. Mel Leiderman and Ms. Deborah McCombe, as described under "Audit Committee — Composition of the Audit Committee" on page 95 of the AIF.

AUDIT COMMITTEE FINANCIAL EXPERT

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

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Ernst & Young LLP served as the Company's independent public accountant for each of the fiscal years in the two-year period ended December 31, 2020. 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 96 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 95 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 fiscal year ended December 31, 2020, the Company has not amended its code of ethics and 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.

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

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

In accordance with Section 13(r) of the Exchange Act, the Company is required to include certain disclosures in its periodic reports if it or any of its affiliates knowingly engaged in certain specified activities during the period covered by the report. Neither the Company nor its affiliates have knowingly engaged in any transaction or dealing reportable under Section 13(r) of the Exchange Act during the year ended December 31, 2020.

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. 333-249203) and Form S-8 (registration nos. 333-130339 and 333-152004). Each of the AIF (other than the section entitled "Ratings"), the Annual Financial Statements and the Annual MD&A is incorporated by reference as an exhibit to the Company's Registration Statement on Form F-10 (registration no. 333-234778).

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form of the Company for the year ended December 31, 2020.
99.2	Annual Audited Consolidated Financial Statements of the Company, including the notes thereto, as at December 31, 2020 and 2019 and for each of the years in the three-year period ended December 31, 2020, 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, 2020.
99.4	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) , pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
99.5	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) , pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
99.6	Certification of the Chief Executive Officer pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.7	Certification of the Chief Financial Officer pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.8	Consent of Independent Registered Public Accounting Firm.
99.9	Consent of Dyane Duquette
99.10	Consent of Sylvie Lampron
99.11	Consent of Pascal Lehouiller
99.12	Consent of Guy Gosselin
99.13	Consent of Carol Plummer
99.14	Consent of Marc Legault
99.15	Consent of Paul Cousin
99.16	Consent of Francis Brunet
99.17	Consent of Dominique Girard
99.18	Consent of Daniel Pare
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURES

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

Toronto, Canada
March 26, 2021

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



AGNICO EAGLE

Annual Information Form
for the year ended December 31, 2020

Dated as of March 26, 2021

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 2016 through 2020, and the daily average exchange rates for March 2021 (to March 22, 2021) and the previous six months, in each case as reported by the Bank of Canada (the "US Exchange Rate"). On March 22, 2021, the US Exchange Rate was US$1.00 equals C$1.2513.

	Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
High	1.4496	1.3600	1.3642	1.3743	1.4589
Low	1.2718	1.2988	1.2288	1.2128	1.2544
End of Period	1.2732	1.2988	1.3642	1.2545	1.3427
Average	1.3415	1.3269	1.2957	1.2986	1.3248

	2021			2020			
	March (to March 22)	**February**	**January**	**December**	**November**	**October**	**September**
High	1.2668	1.2828	1.2810	1.2952	1.3257	1.3349	1.3396
Low	1.2455	1.2530	1.2627	1.2718	1.2965	1.3122	1.3055
End of Period	1.2513	1.2685	1.2724	1.2808	1.3068	1.3215	1.3228
Average	1.2568	1.2699	1.2780	1.2732	1.2965	1.3318	1.3339

On December 31, 2020 and March 22, 2021, US$1.00 equaled €0.8149 and €0.8385, 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 2021 and future periods;
- statements regarding future earnings and the sensitivity of earnings to gold and other metal prices;
- anticipated levels or trends for prices of gold and by-product metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;

- estimates of future mineral production and sales;
- estimates of future costs, including mining costs, total cash costs per ounce, all-in sustaining costs per ounce, minesite costs per tonne and other costs;
- estimates of future capital expenditures, exploration expenditures and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;
- estimates of mineral reserves and mineral resources and their sensitivities to gold prices and other factors, ore grades and mineral recoveries and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events at the Company's mines, mine development projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulations, including with respect to climate change, and estimates of the impact on the Company;
- other anticipated trends with respect to the Company's capital resources and results of operations; and
- statements regarding the impact of the COVID-19 pandemic and measures taken to reduce the spread of COVID-19 on the Company's operations and business.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Agnico Eagle as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions of Agnico Eagle upon which the forward-looking statements in this AIF are based, and which may prove to be incorrect, include the assumptions set out elsewhere in this AIF as well as: that governments, the Company or others do not take measures in response to the COVID-19 pandemic or otherwise that, individually or in the aggregate, materially affect the Company's ability to operate its business; that measures taken in connection with the COVID-19 pandemic do not affect productivity; that measures taken relating to, or other effects of, the COVID-19 pandemic do not affect the Company's ability to obtain necessary supplies and deliver them to its mine sites; 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, pandemics, mining or milling issues, political changes, title issues, community protests, including by First Nations groups, or otherwise; that permitting, development, expansion and the ramp up of operations at each of Agnico Eagle's mines, mine development projects and exploration projects proceed on a basis consistent with expectations and that Agnico Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, Euro, Mexican peso and the U.S. dollar will be approximately consistent with current levels or as set out in this AIF; that prices for gold, silver, zinc and copper will be consistent with Agnico Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico Eagle's expectations; that production meets 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; that seismic activity at the Company's operations at LaRonde and other properties is as expected by the Company; that the Company's current plans to optimize production are successful; and that there are no material variations in the current tax and regulatory environments that affect Agnico Eagle.

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

statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based.

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

Presentation of Financial Information

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

Note to Investors Concerning Estimates of Mineral Reserves and Mineral Resources

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

As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended the definitions of "proven mineral reserves" and "probable mineral reserves" in the SEC Modernization Rules, with definitions that are substantially similar to those used in NI 43-101. United States investors are cautioned that while the SEC now recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. These terms have a great amount of uncertainty as to their economic and legal feasibility. Under Canadian regulations, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in limited circumstances. Investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that the Company reports in this AIF are or will be economically or legally mineable. Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that any part or all of an inferred mineral resource will ever be upgraded to a higher category.

The mineral reserve and mineral resource data set out in this AIF are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The Company does not include equivalent gold ounces for by-product metals contained in mineral reserves in its

calculation of contained ounces and mineral reserves are not reported as a subset of mineral resources. See "Mineral Reserves and Mineral Resources" in this AIF for additional information.

Note to Investors Concerning Certain Measures of Performance

This AIF discloses certain measures, including "total cash costs per ounce", "all-in sustaining costs per ounce", "minesite costs per tonne" and "operating margin" that are not recognized measures under IFRS. These measures may not be comparable to similar measures reported by other gold mining companies. For a reconciliation of these measures to the most directly comparable financial information presented in the Annual Financial Statements (as defined below) prepared in accordance with IFRS, and for an explanation of how management uses these measures, please see the Company's management discussion and analysis for the period ended December 31, 2020 (the "Annual MD&A").

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

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

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

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

Operating margin is calculated by adjusting net income as recorded in the consolidated financial statements for: income and mining taxes expense, other expenses (income), foreign currency translation loss, impairment reversal (loss), environmental remediation, (gain) loss on derivative financial instruments, finance costs, general and administrative expenses, amortization of property, plant and mine development and exploration and corporate development expenses. The Company believes that operating margin is a useful measure that reflects the operating performance of its mines associated with the ongoing production and sale of gold and by-product metals. Management uses this measure internally to plan and forecast future operating results. This measure is intended to provide readers with additional information about the Company's underlying operating results and should be evaluated in conjunction with net income and 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. The Company, from time to time, also provides information as to estimated future total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne. Such estimates are based upon the total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne that the Company expects to incur to mine gold at its mines and projects and, consistent with the reconciliation of these actual costs referred to above, do not include production costs attributable to accretion expense and other asset retirement costs, which will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-GAAP financial measures to the most comparable IFRS measure.

SELECTED FINANCIAL DATA

The following selected financial data for each of the years in the five-year period ended December 31, 2020 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, 2020, including the notes thereto (the "Annual Financial Statements") and the Annual MD&A.

	Year Ended December 31,				
	2020	**2019**	**2018**	**2017**	**2016**
	(in thousands of U.S. dollars, other than share and per share information)				
Income Statement Data					
Revenues from mining operations	3,138,113	2,494,892	2,191,221	2,242,604	2,138,232
Production	1,424,152	1,247,705	1,160,355	1,057,842	1,031,892
Exploration and corporate development	113,492	104,779	137,670	141,450	146,978
Amortization of property, plant and mine development	631,101	546,057	553,933	508,739	613,160
General and administrative	116,288	120,987	124,873	115,064	102,781
Impairment loss on equity securities	–	–	–	8,532	–
(Gain) loss on derivative financial instruments	(107,873)	(17,124)	6,065	(17,898)	(9,468)
Finance costs	95,134	105,082	96,567	78,931	74,641
Other expenses (income)	48,234	(13,169)	(35,294)	(3,877)	16,233
Environmental remediation	27,540	2,804	14,420	1,219	4,058
Impairment (reversal) loss	–	(345,821)	389,693	–	(120,161)
Gain on sale of equity securities	–	–	–	–	(3,500)
Foreign currency translation loss	22,480	4,850	1,991	13,313	13,157
Income (loss) before income and mining taxes	767,565	738,742	(259,052)	339,289	268,461
Income and mining taxes expense	255,958	265,576	67,649	98,494	109,637
Net income (loss) for the year	511,607	473,166	(326,701)	240,795	158,824
Net income (loss) per share – basic	2.12	2.00	(1.40)	1.05	0.71
Net income (loss) per share – diluted	2.10	1.99	(1.40)	1.04	0.70
Weighted average number of common shares outstanding – basic	241,508,347	236,933,791	233,251,255	230,251,876	223,736,595
Weighted average number of common shares outstanding – diluted	243,072,085	238,229,593	233,251,255	232,460,918	225,753,589
Cash dividends declared per common share	0.95	0.55	0.44	0.41	0.36
Balance Sheet Data (at end of period)					
Property, plant and mine development	7,325,418	7,003,665	6,234,302	5,626,552	5,106,036
Total assets	9,614,755	8,789,885	7,852,843	7,865,601	7,107,951
Long-term debt	1,565,241	1,724,108	1,721,308	1,371,851	1,072,790
Reclamation provision	667,053	439,801	380,747	345,268	265,308
Net assets	5,683,213	5,111,514	4,550,012	4,946,991	4,492,474
Common shares	5,751,479	5,589,352	5,362,169	5,288,432	4,987,694
Shareholders' equity	5,683,213	5,111,514	4,550,012	4,946,991	4,492,474
Total common shares outstanding	242,884,314	239,619,035	234,458,597	232,250,441	224,965,140

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.
"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.
"bedrock"	Solid rock exposed at the surface of the Earth or overlain by unconsolidated material, weathered rock or soil.
"brecciated"	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.
"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, ramp or drift 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.
"fault"	A fracture or a fracture zone in crustal rocks along which there has been displacement of the two sides relative to one another parallel to the fracture. The displacement may be a few inches or many kilometres long.
"feasibility study"	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations, together with any other relevant operational factors and a detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.
"felsic"	A term used to describe light-coloured rocks containing feldspar, feldspathoids and silica.
"flotation"	The method of mineral separation in which a froth created by a variety of reagents floats some finely crushed minerals, whereas other minerals sink. The metal-rich flotation concentrate is then skimmed off the surface.

"foliation"	A general term for a planar arrangement of features in any type of rock, especially the planar structure that results in a metamorphic rock.
"footwall"	The rock beneath an inclined vein or ore deposit (opposite of a hanging wall).
"fracture"	Any break in a rock, whether or not it causes displacement, due to mechanical failure by stress; includes cracks, joints and faults.
"free gold"	Gold not combined with other substances.
"glacial till"	Dominantly unsorted and unstratified, unconsolidated rock debris, deposited directly by and underneath a glacier.
"grade"	The relative quantity or the percentage of metal content of an orebody (*e.g.*, grams of gold per tonne of rock or percent copper).
"greenstone belt"	An area underlain by metamorphosed volcanic and sedimentary rocks, usually in a continental shield.
"hanging wall"	The rock on the upper side of a vein or ore deposit.
"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.
"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.
"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.
"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.
"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".
"recovery"	The percentage of valuable metal in the ore that is recovered by metallurgical treatment.

"rock burst"	A sudden and often violent breaking of a mass of rock from the walls of a mine, caused by failure of highly stressed rock and the rapid release of accumulated strain energy.
"sandstone"	A sedimentary rock consisting of grains of sand cemented together.
"schist"	A strongly foliated crystalline rock that can be readily split into thin flakes or slabs due to the well-developed parallelism of more than 50% of the minerals present in it, such as mica or hornblende.
"sedimentary rocks"	Rocks resulting from the consolidation of loose sediment that has accumulated in layers. Examples are limestone, shale and sandstone.
"semi-autogenous grinding" or "SAG"	A method of grinding rock whereby larger chunks of the rock itself and steel balls form the grinding media.
"shear" or "shearing"	The deformation of rocks by lateral movement along innumerable parallel planes, generally resulting from pressure and producing metamorphic structures such as cleavage and schistosity.
"shear zone"	A tabular zone of rock that has been crushed and brecciated by many parallel fractures due to shear stress. Such an area is often mineralized by ore-forming solutions.
"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.

"transverse open stoping"	An underground mining method in which the ore is excavated in horizontal slices perpendicular to the orebody length and the stoping starts below and advances upwards. The ore is recovered underneath the stope through a drawpoint system.
"trench"	A narrow excavation dug through overburden, or blasted out of rock, to expose a vein or ore structure for sampling or observation.
"vein"	A mineral filling of a fault or other fracture in a host rock.
"wacke"	A "dirty" sandstone that consists of a mixture of poorly sorted mineral and rock fragments in an abundant matrix of clay and fine silt.
"winze"	An internal mine shaft.
"Zadra elution circuit"	The process in this part of a gold mill strips gold and silver from carbon granules and puts them into solution.
"zone"	An area of distinct mineralization (*i.e.*, a deposit).

CORPORATE STRUCTURE

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

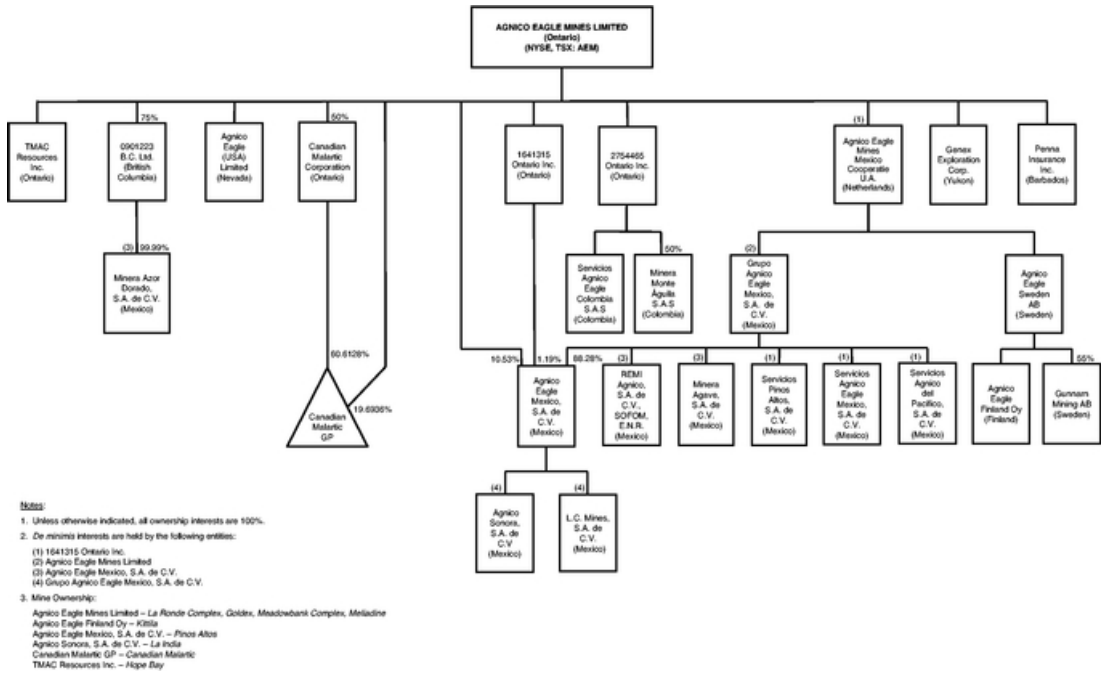
Since 1972, several corporate alterations have taken place. On August 22, 1972, the Company's articles were amended to permit the Company to: (i) borrow money on the credit of the Company, (ii) issue, sell or pledge debt obligations and (iii) charge, mortgage or pledge the Company's property. On June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

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

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

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

The following chart sets out the corporate structure of the Company, each of its significant subsidiaries and certain other entities, together with the jurisdiction of organization of the Company and each such subsidiary or entity as at March 22, 2021 (all of which are directly or indirectly wholly-owned by the Company, unless otherwise indicated).



Notes:

1. Unless otherwise indicated, all ownership interests are 100%.
2. *De minimis* interests are held by the following entities:
   (1) 1641315 Ontario Inc.
   (2) Agnico Eagle Mines Limited
   (3) Agnico Eagle Mexico, S.A. de C.V.
   (4) Grupo Agnico Eagle Mexico, S.A. de C.V.
3. Mine Ownership:
   Agnico Eagle Mines Limited – *La Ronde Complex, Goldex, Meadowbank Complex, Meliadine*
   Agnico Eagle Finland Oy – *Kittila*
   Agnico Eagle Mexico, S.A. de C.V. – *Pinos Altos*
   Agnico Sonora, S.A. de C.V. – *La India*
   Canadian Malartic GP – *Canadian Malartic*
   TMAC Resources Inc. – *Hope Bay*

DESCRIPTION OF THE BUSINESS

The Company is a senior Canadian gold mining company that has produced precious metals since 1957. Its operating mines are located in Canada, Finland and Mexico, with exploration and development activities in each of these countries as well as in the United States, Sweden and Colombia.

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.

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

	Date of Acquisition[(1)]	Date of Commencement of Construction[(1)]	Date of achieving Commercial Production[(1)]	Estimated Mine Life[(2)]
LaRonde mine	1992	1985	1988	2030
LaRonde Zone 5 mine	2003	2017	June 2018	2029
Goldex mine[(3)]	December 1993	July 2012	October 2013	2030
Canadian Malartic mine	June 2014	n/a	n/a	2028
Kittila mine	November 2005	June 2006	May 2009	2034
Meadowbank Complex	April 2007	Pre-April 2007	March 2010	2026
Meliadine mine	July 2010	2017	May 2019	2032
Pinos Altos mine	March 2006	August 2007	November 2009	2026
La India mine	November 2011	September 2012	February 2014	2023
Hope Bay mine[(4)]	February 2021	n/a	n/a	–

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. At the time the Hope Bay mine mine was acquired, construction at the Doris deposit was complete and commercial production had been achieved in the second quarter of 2017.

(2) Estimated end date for gold production based on the Company's current life of mine plans. The estimated mine life at the Meadowbank Complex includes production from the Amaruq satellite deposit at Meadowbank. Commercial production at the Amaruq satellite deposit at Meadowbank was achieved in September 2019. The estimated mine life at the Canadian Malartic mine does not include production from the Odyssey project. See "General Development Of The Business – 2021".

(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.

(4) The Company acquired 100% ownership of the Hope Bay mine on February 2, 2021. Hope Bay consists of three known gold deposits: Doris, Madrid and Boston. At the date of this AIF, the Company continues to evaluate the estimated mine life for the Hope Bay mine. See "General Development Of The Business – 2021".

In 2020, the Company produced 1,736,568 ounces of gold (including 36,416 ounces of pre-commercial production of gold from the V Zone, Tiriganiaq open pit and Barnat pit at Canadian Malartic) at production costs per ounce of gold of $838, total cash costs per ounce of gold of $775 and at all-in sustaining costs per ounce of $1,051. For 2021, the Company expects to produce approximately 2.05 million ounces of gold at total cash costs per ounce of gold between $700 and $750 and at all-in sustaining costs per ounce between $950 and $1,000. 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

2018

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

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

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

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

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

2019

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

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

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

2020

On March 24, 2020, the Company announced that, in response to an order by the Government of Quebec issued on March 23, 2020 (the "Quebec Order") to close all non-essential businesses, the Company would take steps to ramp down its operations in the Abitibi region of Quebec (the LaRonde Complex, the Goldex mine and the Canadian Malartic mine (50%)) in an orderly fashion while ensuring the safety of employees and the sustainability of the infrastructure. The Quebec Order was part of the Quebec government's response to the COVID-19 pandemic. In addition, the Company reduced activities at the Meliadine and Meadowbank mining operations in Nunavut, which are fly-in/fly-out mining operations, serviced out of Mirabel and Val d'Or, Quebec. Exploration activities in Canada were also suspended during this period. On March 24, 2020, with the reduced production activity at the Quebec and Nunavut operations, together with the uncertainties with respect to future developments, including the duration, severity and scope of the COVID-19 pandemic and the measures taken to contain the outbreak, the Company withdrew its full year 2020 production and cash costs guidance. On April 2, 2020, as a result of a decree by the Government of Mexico that all non-essential businesses suspend operations until April 30, 2020, the Company suspended mining operations at the Company's Pinos Altos mine, Creston Mascota mine and La India mine. As a result, in the second quarter of 2020, operations at seven of the Company's eight mines were suspended or reduced. See "Impact of COVID-19 on the Company's Business and Operations" in the Annual MD&A for a discussion of the impact of the COVID-19 pandemic on the Company's business and operations.

On April 7, 2020, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $100 million 2.78% Series A senior notes due 2030 and $100 million 2.88% Series B senior notes due 2032. For additional details see "Material Contracts – Note Purchase Agreements" below.

On April 30, 2020, the Company released updated full year 2020 production and cash costs guidance, including gold production guidance of 1.63 to 1.73 million ounces of gold and total cash costs per ounce and AISC per ounce guidance of $740 to $790 and $1,025 to $1,075, respectively. On July 29, 2020, the Company updated the range of its full year 2020 production guidance to between 1.68 and 1.73 million ounces of gold; other guidance remained unchanged

The following table sets out the Company's capital expenditures for 2020.

	2020 Capital Expenditures (thousands of $)			
			Capitalized Exploration	
	Sustaining	Development	Sustaining	Non-Sustaining
LaRonde Complex	84,119	35,887	1,626	–
Canadian Malartic (50%)*	52,482	3,317	–	–
Meadowbank Complex	55,450	75,357	364	2,107
Amaruq Underground project	–	27,145	–	–
Meliadine*	39,966	84,289	1,526	3,851
Kittila	33,155	163,139	6,788	324
Goldex	20,679	11,247	3,339	1,776
Pinos Altos	23,871	3,730	371	–
La India	12,736	8,927	1,044	–
Other	–	14,723	–	141
Total Expenditures	**322,458**	**427,761**	**15,058**	**8,199**

* 2020 capital expenditures relating to the Barnat deposit at the Canadian Malartic mine, the V zone at the Meadowbank Complex and the Tiriganiaq open pit at the Meliadine mine incorporate pre-commercial production gold ounces of 18,930, 10,995 and 6,491 ounces of gold, respectively.

2021

On February 2, 2021, the Company acquired all of the issued and outstanding common shares of TMAC Resources Inc. ("TMAC") pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (Ontario). At the time, TMAC was a Canadian based gold mining company that was listed on the Toronto Stock Exchange ("TSX") and held a 100% interest in the Hope Bay mine in Nunavut. Under the terms of the arrangement, each shareholder of TMAC received C$2.20 in cash. In connection with the acquisition of TMAC, the Company also repaid approximately $134 million of outstanding debt owed by TMAC. The change of control of TMAC triggered a one-time option to buy-back a 1.5% net smelter return royalty on Hope Bay from Maverix Metals Inc. for $50 million, which was exercised.

In February 2021, underground mining and development programs were approved at the Amaruq underground project and the Odyssey project at Canadian Malartic.

The following table sets out the Company's expected capital expenditures for 2021.

	2021 Capital Expenditures* (thousands of $)			
			Capitalized Exploration	
	Sustaining	Development	Sustaining	Non-sustaining
LaRonde Complex	$ 95,300	$ 51,700	$ 2,000	$ –
Canadian Malartic mine (50%)	71,500	61,900	–	11,900
Goldex mine	18,100	19,200	3,600	2,100
Kittila mine	40,300	61,700	7,300	4,000
Meadowbank Complex	40,400	5,750	–	4,900
Amaruq Underground project	–	98,950	–	–
Meliadine mine**	46,100	64,800	3,100	5,200
Pinos Altos mine	28,100	26,600	500	–
La India mine	7,000	16,400	–	–
Other	4,600	–	–	–
Total Capital Expenditures	**$ 351,400**	**$ 407,000**	**$ 16,500**	**$ 28,100**

* Estimated 2021 capital expenditures exclude capital expenditures at Hope Bay.

** 2021 forecast capital expenditures relating to the Tiriganiaq open pit at the Meliadine mine incorporate anticipated pre-production gold ounces of 29,000.

Pre-2018

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

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

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

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

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

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

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

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

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

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

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

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

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

In November 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 return 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.

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 (i) a directly held, 100% interest in each of the LaRonde Complex (which includes the LaRonde mine and the LaRonde Zone 5 mine), the Goldex mine, the Meadowbank Complex (which includes the processing facilities at the Meadowbank minesite and mining operations at the Amaruq satellite deposit) and the Meliadine mine, (ii) an indirectly held 100% interest in the Hope Bay mine, and (iii) a 50% interest in the Canadian Malartic Mine (which is held indirectly through the Partnership, which is held both directly and indirectly though the Company's 50% interest in CMC). The Company's operations in Finland are conducted through its indirect subsidiary, Agnico Eagle Finland Oy, which owns the Kittila mine. In 2020, the Northern Business accounted for approximately 86% 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 2020, the Southern Business accounted for approximately 14% 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 2020 in these regions where the Company believes the potential for gold occurrences is excellent and which the Company believes to be politically stable and supportive of the mining industry. The Company currently manages 78 properties in Canada, five properties in the United States, three groups of properties in Finland, two properties in Sweden and 20 properties in Mexico. Exploration activities are managed from offices in: Val-d'Or, Quebec; Kirkland Lake, Ontario; Reno, Nevada; Chihuahua and Hermosillo, Mexico; Kittila, Finland; and Storuman, Sweden.

For the purposes of this AIF, the Company has identified its LaRonde Complex, Canadian Malartic mine, Kittila mine, Meadowbank Complex and Meliadine mine as material properties.

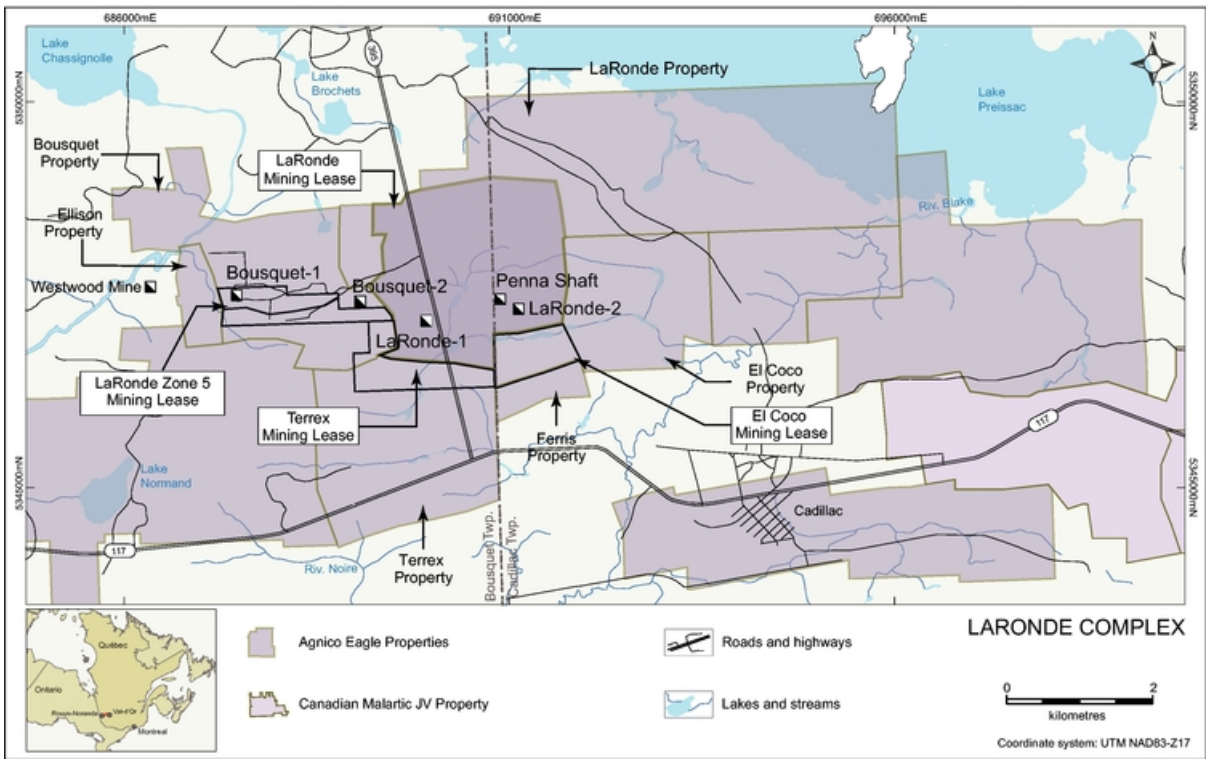
Northern Business

LaRonde Complex

The LaRonde Complex is situated approximately halfway between Rouyn-Noranda and Val d'Or in northwestern Quebec (approximately 470 kilometres northwest of Montreal, Quebec) in the municipalities of Preissac and Cadillac and consists of the LaRonde mine and the LaRonde Zone 5 mine. At December 31, 2020, the LaRonde Complex was estimated to have proven and probable mineral reserves containing approximately 3.8 million ounces of gold comprised of 26.9 million tonnes of ore grading 4.36 grams per tonne. The LaRonde Complex consists of the LaRonde property and the adjacent El Coco, Terrex and Bousquet properties, each of which is 100% owned and operated by the Company. The LaRonde Complex can be accessed either from Val d'Or in the east or from Rouyn-Noranda in the west, each of which are located approximately 60 kilometres from the LaRonde mine via Quebec provincial highway No. 117. The LaRonde mine is situated approximately two kilometres north of highway No. 117 on Quebec regional highway No. 395. The Company has access to the Canadian National Railway at Cadillac, Quebec, approximately six kilometres from the LaRonde mine. The Company first acquired an interest in the LaRonde property in 1974 through an indirect investment in Dumagami.

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

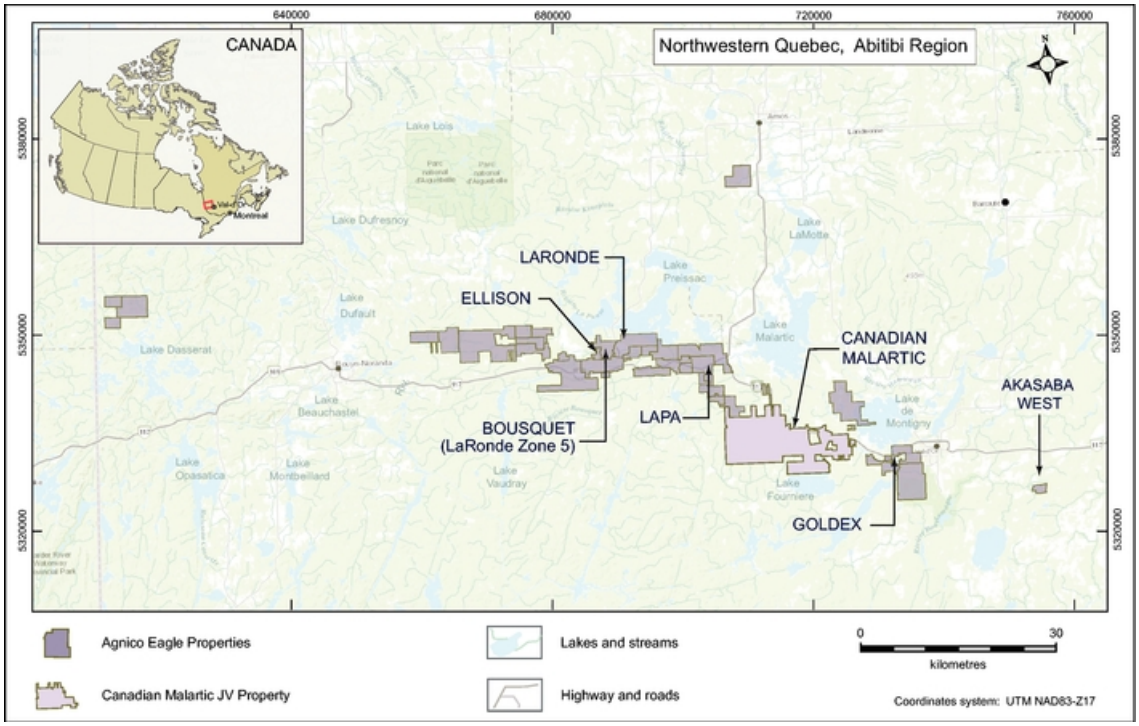
Location Map of the LaRonde Complex (as at December 31, 2020)



The LaRonde mine includes underground operations at the LaRonde, Bousquet, El Coco and Terrex properties that can all 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 2021. In 2020, 97% 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 2021, the Company anticipates that approximately 99.5% of the ore processed will be from this deeper part of the mine.

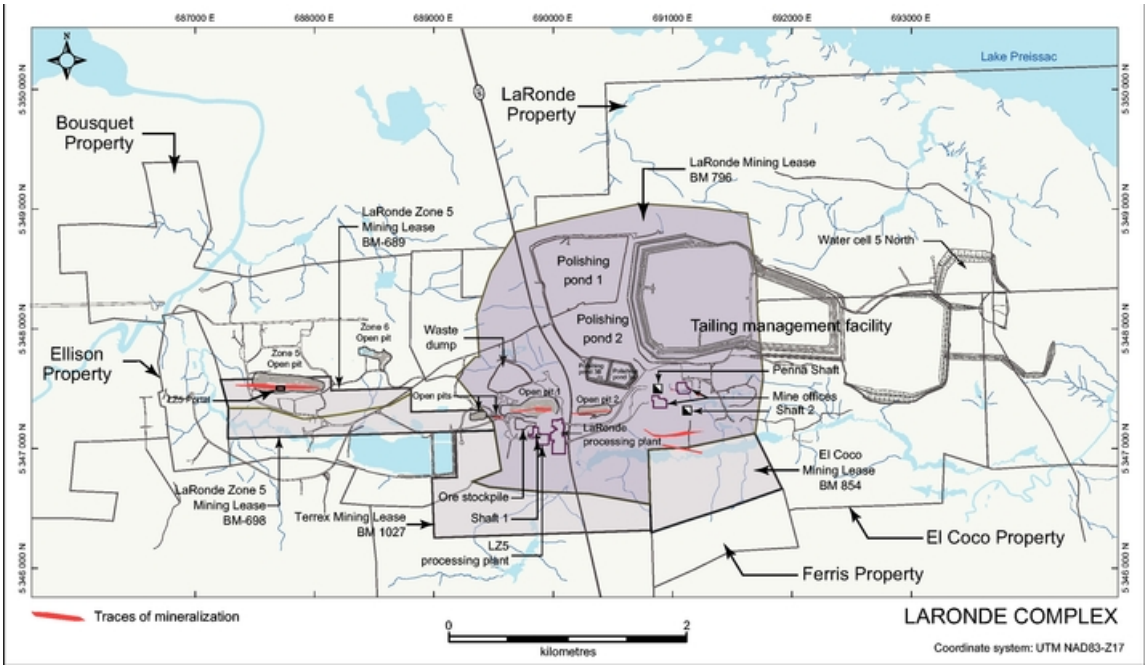
The LaRonde Zone 5 mine, an underground operation accessed via ramp, is adjacent to the LaRonde mine and shares certain infrastructure with the LaRonde mine. Commercial production at the LaRonde Zone 5 mine was achieved on June 1, 2018. The mining method is similar to that currently employed at the LaRonde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

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



Mining and Milling Facilities

Surface Plan of the LaRonde Complex (as at December 31, 2020)



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

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

Production from the LaRonde mine extension continues to move towards anticipated steady-state levels. Many of the delays encountered during 2020 were related to seismicity, as some areas of the mine were under periodic closure to mitigate seismicity risk which resulted in development delays. The Company expects the levels of seismicity to continue to evolve and the Company continues to adjust the mining methods, ground support, protocols and monitoring to adapt to the evolving levels. As the Company mines deeper at LaRonde, the risks of more frequent and larger seismic events increase. As a result, the Company is studying various design approaches to mining at LaRonde 3 (that portion of the mine located below a depth of 3.1 kilometres).

In 2020, the Company began construction of a new cooling plant at level 308 and new exhaust booster fans at level 275, both of which are expected to be commissioned in 2021.

The Company's operations at the LaRonde Zone 5 mine go to a depth of 300 metres below surface. Mineral reserves at the LaRonde Zone 5 mine extend down to 650 metres below surface. Ore is hauled to the surface with a fleet of trucks. The mine relies heavily on automation between shifts when personnel are not underground to increase productivity. The LaRonde Zone 5 mine shares infrastructure with the LaRonde mine but also requires limited dedicated infrastructure, including a backfill plant.

Mining Methods

The primary source of ore at the LaRonde Complex continues to be from underground mining methods. During 2020, two mining methods were used: longitudinal retreat with cemented paste backfill and transverse open stoping with paste or unconsolidated rockfill. 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. During 2020, the LaRonde mine processed an average of 4,698 tonnes of ore per day and the LaRonde Zone 5 mine processed an average of 2,645 tonnes of ore per day.

The Company's operations at the LaRonde mine reach more than three kilometres below the surface. There are very few resources available to model the geomechanical conditions at this depth, where operations are subject to high stress levels and seismic activity. The Company conducts periodic technical reviews of its operations at these levels using consultants with experience in deep mining and has established an expert committee that meets periodically. The Company uses the results of these technical reviews and the advice of the expert committee to adapt best mining practices and adjust the mining sequence for its operations at these depths. 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 processing facilities) 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. 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. A 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. Zinc flotation is operated periodically based on the zinc feed grade and the anticipated net smelter revenue. Paste backfill and cyanide destruction plants operate intermittently based on underground requirements. A second paste backfill plant 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 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 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.

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.

Production and Mineral Recoveries

During 2020, the LaRonde Complex had payable production of 349,913 ounces of gold, 672,475 ounces of silver, 6,259 tonnes of zinc and 3,069 tonnes of copper from 2.7 million tonnes of ore grading 4.29 grams of gold per tonne and 16.19 grams of silver per tonne, 0.57% zinc and 0.22% copper. The production costs per ounce of gold produced at LaRonde in 2020 were $622. The total cash costs per ounce of gold produced at LaRonde in 2020 were $517 on a by-product basis and were $664 on a co-product basis. The LaRonde processing facility averaged 7,306 tonnes of ore per day and operated 84.4% of available time (including downtime related to the COVID-19 pandemic). Gold and silver recovery averaged 95.01% and 85.53%, respectively. Zinc recovery averaged 75.78% with a concentrate quality of 53.83% zinc. Copper recovery averaged 84.03% with a concentrate quality of 19.38% copper. In 2020, the production costs per tonne at LaRonde were C$109 and the minesite costs per tonne were C$105.

The following table sets out the metal recoveries and concentrate grades at the LaRonde Complex in 2020.

		Copper Concentrate (16,792 tonnes produced)		Zinc Concentrate (13,682 tonnes produced)			
	Head Grades	Grade	Recovery	Grade	Recovery	Overall Metal Recoveries	Payable Production
Gold	4.29 g/t	394 g/t	70.23%	21.2 g/t	3.04%	95.01%	349,913 oz
Silver	16.19 g/t	748 g/t	45.48%	154.4 g/t	6.99%	85.53%	672,475 oz
Copper	0.22%	19.38%	84.03%	–%	–%	84.03%	3,069 t
Zinc	0.57%	2.47%	4.27%	53.83%	75.78%	75.78%	6,259 t

Annual production at the LaRonde Complex in 2021 is expected to be approximately 375,000 ounces of gold, 0.73 million ounces of silver, 3,269 tonnes of copper and 7,250 tonnes of zinc from 3.0 million tonnes of ore grading 4.15 grams of gold per tonne, 10.5 grams of silver per tonne, 0.14% copper and 0.36% zinc. The total cash costs per ounce of gold produced in 2021 on a by-product basis are expected to be $587, with estimated gold recovery at 94.9%, silver recovery of 74.4%, copper recovery of 77.8% and zinc recovery of 68.7%. Gold recovery at the LaRonde mine is distributed approximately as follows: 63.77% in the copper concentrate, 3.38% in the zinc concentrate and 27.8% via leaching. Minesite costs per tonne of C$110 are expected in 2021.

Environmental, Permitting and Social Matters

In 2020, the construction of water cell 5 (approximately 50 hectares) and a tailings filtration plant was initiated as part of the Tailings 2022 Project. The construction of these facilities required various permits (environment, natural resources, forest) and a surface lease. All permits were received as planned and construction is on-going. The first phase of the new water cell construction is expected to be completed by the end of 2021 and the entire project is expected to be completed by the end of 2022. The Tailings 2022 Project will provide the infrastructure required to manage the tailings produced during the current life of mine at LaRonde. Tailings are expected to transition to dry stacking from the current slurry storage beginning in the fourth quarter of 2022.

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

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

In 2021, the Company will continue construction of the Tailings 2022 Project. In parallel, the Company will continue engineering activities for the transition of the tailings to dry-stack.

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

Capital Expenditures

Capital expenditures at the LaRonde Complex during 2020 were approximately $121.6 million, which included sustaining capital expenditures, deferred expenses, development capital expenditures related to Zone LR 11-3 and the drystack tailings facilities and capitalized exploration. Budgeted 2021 capital expenditures at the LaRonde Complex are $149.0 million, including capitalized exploration.

Development

At the LaRonde mine in 2020, 10.4 kilometres of lateral development was completed, focused on the preparation of the lower mine production horizon and permanent infrastructure such as the cooling plant and ventilation network. The development toward the LR11-3 area also continued. At the LaRonde Zone 5 mine, 5.5 kilometres of lateral development was completed in 2020. The focus of this development was the ramp downwards and development of levels for production.

A total of 13.0 kilometres of lateral development is planned for the LaRonde mine in 2021. The focus of development remains the LaRonde mine extension and the development of the LR 11-3 area. A total of 7.0 kilometres of lateral development is planned at the LaRonde Zone 5 mine in 2021. The focus of this development is the ramp downwards to secure future production and development of existing levels for 2021 production.

Geology, Mineralization, Exploration and Drilling

Geology

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

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

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

Mineralization

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

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

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

The Company believes that Zone 20 North is one of the largest gold bearing massive sulphide mineralized zones in the world and one of the largest known mineralized zones in the Abitibi region of Ontario and Quebec. Zone 20 North contains the majority of the mineral reserves and mineral resources at the LaRonde mine, including 13.9 million tonnes of proven and probable mineral reserves grading 6.36 g/t gold, representing 92% of the total proven and probable mineral reserves at the LaRonde mine, 3.5 million tonnes of indicated mineral resources grading 3.58 g/t gold, representing 70% of the total measured and indicated mineral resources at the LaRonde mine, and 3.7 million tonnes of inferred mineral resources grading 5.86 g/t gold, representing 58% of the total inferred mineral resources at the LaRonde mine.

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

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

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

Exploration and Drilling

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

Diamond drilling is used for exploration on the LaRonde property. In 2020, 40 holes (10,124 metres) were drilled for definition (conversion) and 25 holes (11,782 metres) were drilled for exploration. Expenditures on drilling at the LaRonde mine during 2020 were C$2.6 million, including C$2.1 million in drilling expenses charged to capital costs at the LaRonde mine, and C$0.5 million expensed as exploration drilling. No exploration drilling was performed at the LaRonde Zone 5 mine in 2020.

The main focus of the 2020 exploration program was continuing the investigation and conversion of Zone 20 North at depth in both the West mine and East mine areas by extending drill targets down to 3.5 and 3.3 kilometres depth, and exploring the Zone 6 and 7 horizons at depth from the accesses developed toward the west on Levels 146 and 292 to 311. The conversion program also helped to identify a new zinc-rich area of Zone 20 North on the east fringe of LaRonde 3, named the 20N Zinc South Zone, which resulted in new inferred mineral resources at the end of 2020. Exploration also continued at the adjacent Bousquet property, where the Company is achieving strong operating results at the LaRonde Zone 5 mine and the Zone 11-3 area mine development. Exploration in 2020 targeted historic Bousquet zones, which are showing good potential between 2,000 and 3,000 metres depth. Compilation of historic data from the entire Bousquet property also continued.

The conversion program is expected to continue in 2021 and will investigate the possibility of extending indicated mineral resources down to 3.5 and 3.6 kilometres depth in the western and eastern portions of LaRonde 3, respectively, and on the 20N Zinc South Zone. Drilling into Zone 6, mainly from level 292, is continuing to reinforce the quality of inferred mineral resources down to 3.4 kilometres depth. In 2021, drilling in Zone 6 will continue to investigate the extent of the mineralization at depth and to the west. The Company is developing two new accesses towards the west on levels 215 and 290 which are expected to allow the investigation of historic Bousquet zones at depth from a closer range with better drilling angles. Rehabilitation work will also be completed on the exploration drift at level 9 of the Bousquet 2 mine to allow drilling in late 2021. At the LaRonde Zone 5 mine, exploration drilling is planned to convert inferred mineral resources to indicated mineral resources on the Ellison property and to investigate the Bousquet Zone 6 horizon.

Overall at the LaRonde Complex in 2021, the Company expects to spend $12.1 million on exploration ramp development and 16,500 metres of exploration drilling, as well as $2.0 million on 23,300 metres of definition (conversion) drilling.

Mineral Reserves and Mineral Resources

The combined amount of gold in proven and probable mineral reserves at the LaRonde mine at the end of 2020 was 3.0 million ounces (15.2 million tonnes of ore grading 6.12 g/t gold, 17.89 g/t silver, 0.26% copper and 0.76% zinc),

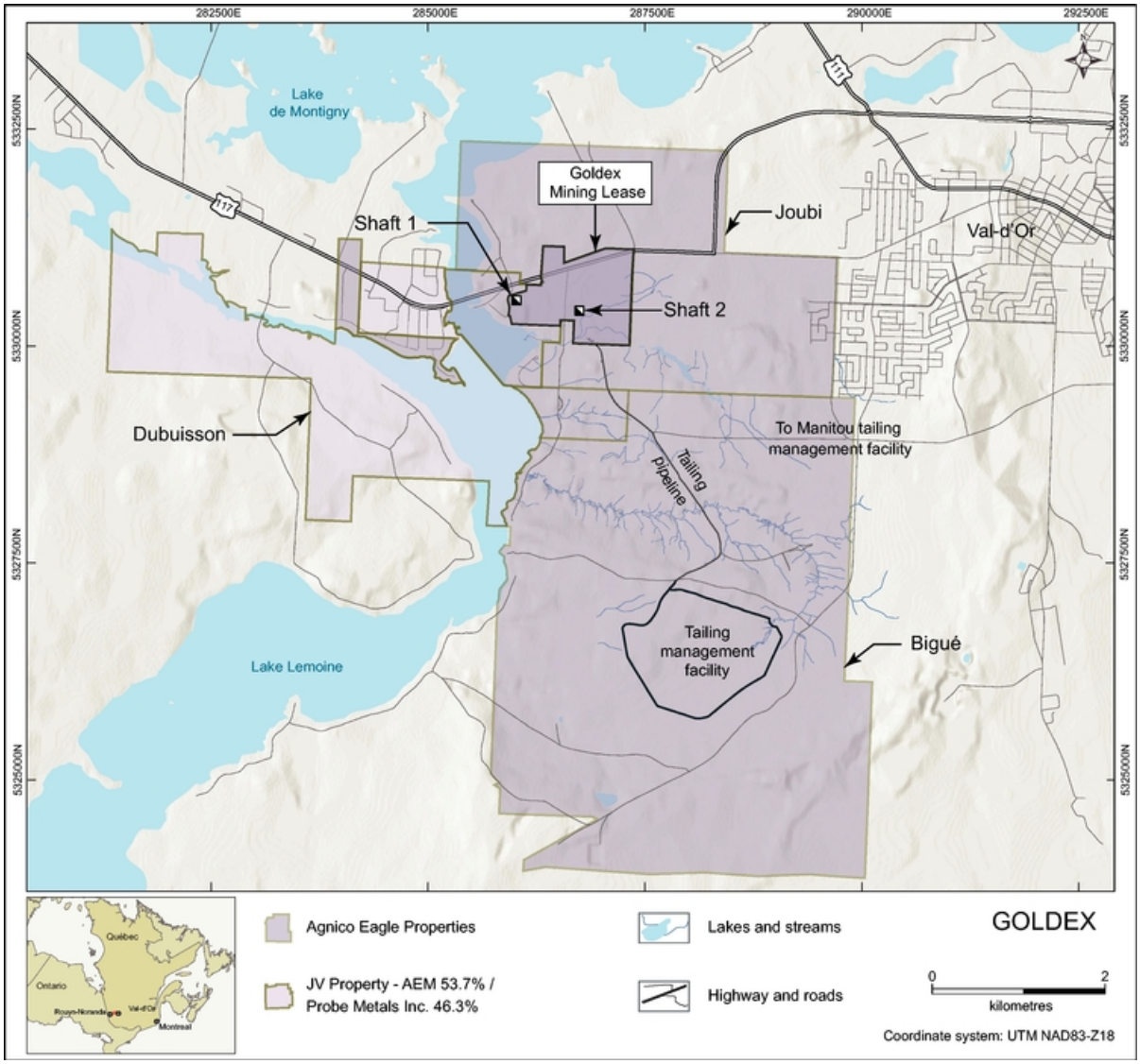
which represents an increase of 96,000 contained ounces of gold from the end of 2019, after producing 288,239 ounces of gold (303,450 ounces *in situ* gold mined in 2020). The increase in mineral reserves is principally associated the review of the high grade capping at LaRonde which more than offset the ore mined during 2020. The mineral reserve gold grade increased from 6.02 g/t gold at the end of 2019 to 6.12 g/t gold at the end of 2020. Underground indicated mineral resources at the LaRonde mine increased by 72,000 contained ounces of gold to a total of 4.9 million tonnes grading 3.55 g/t gold, 21.39 g/t silver, 0.13% copper and 0.81% zinc, primarily due to the transfer of Zone 11-3 from LaRonde Zone 5 to LaRonde's indicated mineral resources. Underground inferred mineral resources at the LaRonde mine increased by 77,000 ounces of gold to a total of 6.4 million tonnes grading 4.54 g/t gold, 23.98 g/t silver, 0.27% copper and 1.96% zinc.

The combined amount of gold in proven and probable mineral reserves at the LaRonde Zone 5 mine at the end of 2020 was 0.8 million ounces (11.8 million tonnes of ore grading 2.08 g/t gold), which represents an increase of 102,000 contained ounces of gold from the end of 2019, after producing 61,674 ounces of gold (65,355 ounces *in situ* gold mined in 2020). The increase in mineral reserves is principally associated with the additional gold in mineral reserves in Zone 3 and Zone 5 down to level 65 at LaRonde Zone 5. The mineral reserve grade decreased from 2.30 g/t gold at the end of 2019 to 2.08 g/t gold at the end of 2020. Underground indicated mineral resources at the LaRonde Zone 5 mine increased by 153,000 ounces of gold to a total of 12.2 million tonnes grading 1.98 g/t gold, primarily due to addition of new mineral resources in Zone 3. Underground inferred mineral resources at the LaRonde Zone 5 mine increased by 788,000 ounces of gold to a total of 15.1 million tonnes grading 2.88 g/t gold.

Goldex Mine

At December 31, 2020, the Goldex mine was estimated to have proven and probable mineral reserves containing approximately 1.1 million ounces of gold comprised of 22.1 million tonnes of ore grading 1.57 grams per tonne.

Location Map of the Goldex Mine (as at December 31, 2020)



During 2020, the Goldex mine had payable production of 127,540 ounces of gold from 2.7 million tonnes of ore grading 1.64 grams of gold per tonne. The production costs per ounce of gold produced at Goldex in 2020 were $648. The total cash costs per ounce of gold produced at Goldex in 2020 were $634 on both a by-product basis and on a co-product basis and the processing facility averaged 7,254 tonnes of ore per day. The production costs per tonne and the minesite costs per tonne at Goldex were C$41 in 2020.

The following table sets out the metal recoveries at the Goldex mine in 2020.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	1.64 g/t	91.08%	127,540 oz

Gold production during 2021 at the Goldex mine is expected to be approximately 133,000 ounces from 2.8 million tonnes of ore grading 1.62 grams of gold per tonne at estimated total cash costs per ounce of approximately $730 on a by-product basis, with estimated gold recovery of 89.9%. Minesite costs per tonne of approximately C$44 are expected in 2021.

Canadian Malartic Mine

The Canadian Malartic mine is located within the town of Malartic, Quebec, approximately 25 kilometres west of the City of Val-d'Or and 80 kilometres east of City of Rouyn-Noranda. It straddles the townships of Fournière, Malartic and Surimau. At December 31, 2020, the Canadian Malartic mine was estimated to have proven and probable mineral reserves containing approximately 2.21 million ounces of gold comprised of 61.4 million tonnes of ore grading 1.12 grams per tonne (representing the Company's 50% interest).

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

Following the completion of an internal technical study (the "Odyssey Study"), in February 2021 the Partnership approved the construction of a new underground mining complex at the Odyssey project. The Odyssey project is adjacent to the Canadian Malartic mine and hosts three main underground-mineralized zones, which are East Gouldie, East Malartic and Odyssey (which is sub-divided into the Odyssey North, Odyssey South and Odyssey Internal zones).

The Canadian Malartic mine operates under mining leases obtained from the Ministry of Energy and Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Environment and the Fight Against Climate Change (Quebec). The Canadian Malartic property is comprised of the East Amphi property, the CHL Malartic prospect, the Canadian Malartic mine, and the Fourniere, Midway, Piche Harvey and Rand properties. The Odyssey project is located east of the Canadian Malartic mine and extends into the CHL Malartic prospect. The Canadian Malartic property consists of a contiguous block comprising one mining concession, five mining leases and 293 mining claims. Expiration dates for the mining leases on the Canadian Malartic property vary between November 24, 2029 and July 27, 2037, and each lease is automatically renewable for three further ten year terms upon payment of a small fee.

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

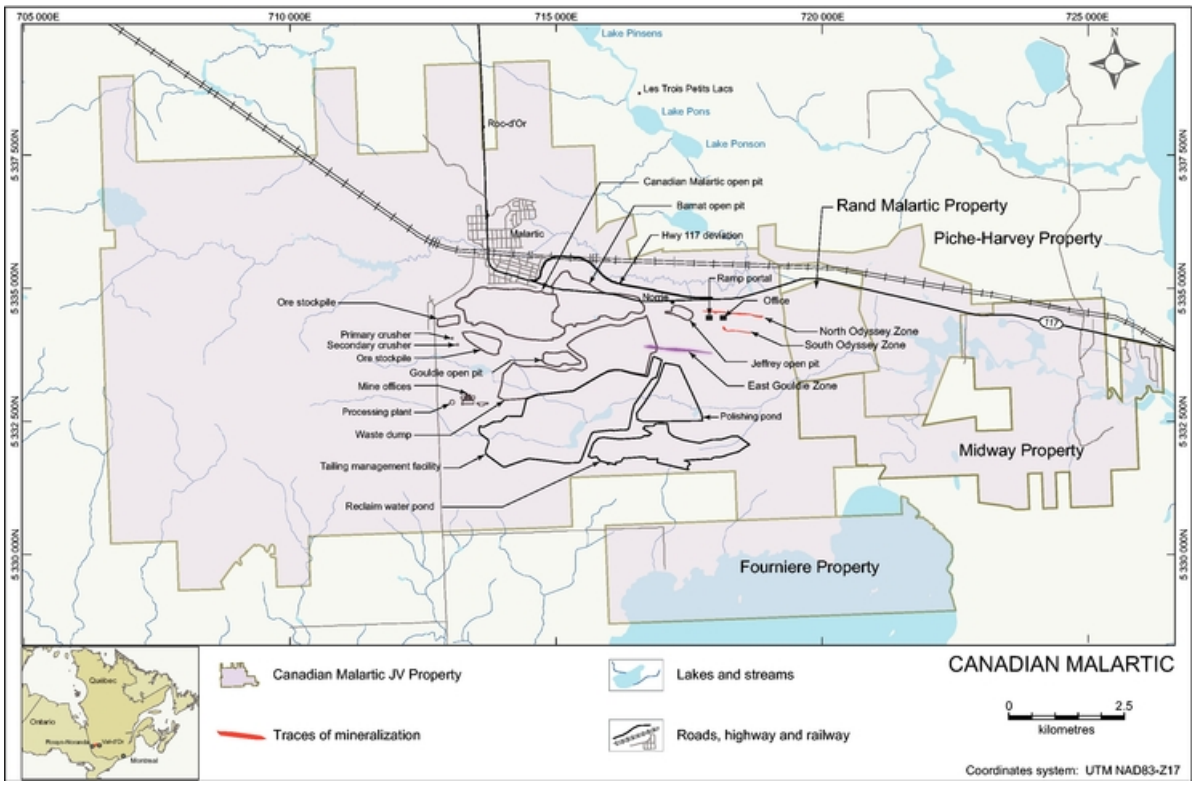
A 135 metre wide buffer zone has been developed along the northern limit of the open pit to mitigate the impacts of mining activities on the residents of Malartic. Inside this buffer zone, a landscaped ridge was built primarily using rock and topsoil produced during pre-stripping work.

Most of the mining claims that make up the Canadian Malartic mine are subject to a 5% net smelter return royalty payable to New Osisko. The mining claims comprising the CHL Malartic prospect are subject to 3% net smelter return royalties payable to each of New Osisko and Abitibi Royalties Inc. In addition, 172 of the mining claims at the Canadian Malartic property are also subject to other net smelter return royalties that vary between 1% and 2%, payable under varying circumstances. In 2020, the Partnership, which is the operator of the Canadian Malartic mine, paid C$82.4 million in the aggregate with respect to these net smelter return royalties.

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

Mining and Milling Facilities

Surface Plan of the Canadian Malartic Mine (as at December 31, 2020)



The Canadian Malartic mine is a large open pit operation comprised of the Canadian Malartic and Barnat pits. In 2020, commercial production was achieved at the Barnat pit and activities will continue in 2021 with overburden stripping, topographic drilling, and ore and waste extraction.

In 2020, the Partnership completed the Highway 117 deviation project. In 2021, the Partnership expects no further development of infrastructure to be undertaken for the Canadian Malartic mine and mill facilities, other than the mining construction work in the Barnat pit and the optimization of tailings storage facilities.

The Odyssey project exploration ramp portal was completed during the fourth quarter of 2020. In December 2020, ramp development was started on the Odyssey project in order to facilitate underground conversion drilling in 2021 and provide access to the Odyssey and East Malartic deposits. At year-end 2020, the ramp had progressed 102 metres, and an additional 1,500 metres of ramp development is planned in 2021.

Mining Methods

Mining at the Canadian Malartic mine is by open pit method with excavators and trucks, using large scale equipment. The primary loading tools are hydraulic excavators, with wheel loaders used as a secondary loading tool. The current mine production schedule was developed to feed the mill at a nominal rate of 57,000 tonnes per day. The continuity and consistency of the mineralization, coupled with tight definition drilling, that has been confirmed by many years of

mining operations, demonstrate the amenability of the mineral reserves and mineral resources to the selected mining method.

The throughput at the Canadian Malartic mine in 2020 averaged 56,832 tonnes per day, compared with 57,669 tonnes per day in 2019. The decreased throughput in 2020 was largely due to the COVID-19 pandemic restrictions imposed by the government in March that forced the Canadian Malartic mine to reduce operations to care and maintenance.

Mining at the Odyssey project will be done by underground methods. The conceptual mine design at the Odyssey project includes a 1,800 metre deep production-services shaft with an expected capacity of approximately 20,000 tonnes per day. The preliminary mining concept is based on a sublevel open stoping mining method with paste backfill. Longitudinal retreat and transverse primary-secondary mining methods will also be used dependent on mineralization geometry and stope design criteria. The project is expected to use a combination of conventional and automated equipment, similar to what is currently used at the LaRonde Complex. Production using the ramp is expected to begin at Odyssey South in late 2023, increasing up to 3,500 tonnes per day in 2024. Collaring of the shaft and installation of the headframe is expected to commence in the second quarter of 2021, with shaft sinking activities expected to begin in late 2022. The shaft will have an estimated depth of 1,800 metres and the first loading station is expected to be commissioned in 2027 with modest production from East Gouldie. The East Malartic shallow area and Odyssey North are scheduled to enter into production in 2029 and 2030 respectively.

Surface Facilities

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

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

The Odyssey project will use the existing surface infrastructure at the Canadian Malartic site, including the tailing storage facilities, the processing plant and the maintenance facilities.

Production and Mineral Recoveries

During 2020, Agnico Eagle's 50% share of the Canadian Malartic mine's payable production was 284,317 ounces of gold and 347,597 ounces of silver from 20.8 million tonnes of ore (100% basis) grading 0.97 grams of gold per tonne and 1.43 grams of silver per tonne (including 18,930 ounces of pre-commercial gold production at the Barnat pit). The production costs per ounce of gold produced at Canadian Malartic in 2020 were $736. The total cash costs per ounce of gold produced at Canadian Malartic in 2020 were $723 on a by-product basis and $750 on a co-product basis. The Canadian Malartic processing facility averaged 56,832 tonnes per day (100% basis) and operated approximately 89.4% of available time. Gold and silver recovery averaged 87.4% and 72.6%, respectively. The production costs per tonne at Canadian Malartic and the minesite costs per tonne were both C$27 in 2020.

The following table sets out the metal recoveries at the Canadian Malartic mine on a 100% basis in 2020.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	0.97 g/t	87.4%	568,635 oz
Silver	1.43 g/t	72.6%	695,196 oz

The Company's 50% share of annual production at the Canadian Malartic mine in 2021 is expected to consist of approximately 350,000 ounces of gold and 360,000 ounces of silver from 10.3 million tonnes of ore grading

1.18 grams of gold per tonne and 1.43 grams of silver per tonne. The total cash costs per ounce in 2021 are expected to be approximately $616 per ounce on a by-product basis, with estimated gold recovery of 89.6% and silver recovery of 75.0%. Minesite costs per tonne of approximately C$28.20 are expected in 2021.

Environmental, Permitting and Social Matters

In 2015, the Partnership developed and implemented an action plan to mitigate noise, vibrations, atmospheric emissions and ancillary issues related to the Canadian Malartic mine. Mitigation measures were put in place to improve the process and avoid environmental non-compliance events. As a result, over time, the Partnership has improved its environmental performance. With respect to activities in 2020, the Partnership received two non-compliance notices for NOx emissions. The mine's team of on-site environmental experts continues to monitor regulatory compliance in terms of approvals, permits and observance of directives and requirements and continues to implement improvement measures.

Since the spring of 2015, the Partnership has been working collaboratively with the community of Malartic and its citizens, including the development of a "Good Neighbour Guide". Implementation of the Good Neighbour Guide, which includes compensation and home-acquisition programs, began on September 1, 2016. Over 90% of the residents of Malartic have agreed to participate in the compensation program. Compensation offered to eligible residents of Malartic in 2020 will be paid in the first quarter of 2021. Under the home-acquisition program, 57 residences have been acquired to date in the southern sector of Malartic, of which 45 have subsequently been sold under the Partnership's resale program that was implemented in April 2018.

As part of ongoing stakeholder engagement, an agreement with four First Nations groups was entered into in 2020. As with the Good Neighbour Guide and other community relations efforts at Canadian Malartic, the Partnership is working collaboratively with stakeholders to establish cooperative relationships that support the long-term potential of the mine.

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

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

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

Permits for Odyssey North and South were granted in 2020 to allow the first phase of the Odyssey project to begin. At this time, the Certificate of Authorization ("CofA") for the shaft has not yet been obtained and the CofA for the waste rock management facility requires modification. A request for a decree amendment, including permits to develop the East Gouldie and East Malartic zones has been submitted. The Partnership has received confirmation that mining the additional zones at the project does not trigger additional Federal permitting requirements.

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. If excess water does need to be treated, a water treatment plant is in place to treat the water that will be released into the environment so that it meets water quality requirements. In addition to ensuring effluent compliance, this water treatment plant reduces the risks associated with surface water management and adds flexibility to the water usage system.

Reclamation and closure costs have been estimated for rehabilitating the tailings facility and waste dump, revegetating the surrounding area, dismantling the plant and associated infrastructure and performing

environmental inspection and monitoring for a period of ten years. In accordance with applicable regulations, financial guarantees have been provided for these estimated reclamation and closure costs. Reclamation plans were updated in 2020, and an updated closure plan was submitted in accordance with regulatory requirements.

Capital Expenditures

The Company's portion of capital expenditures at the Canadian Malartic mine during 2020 were approximately $55.8 million, which included sustaining capital expenditures, deferred expenses, capitalized exploration and costs associated with the Barnat pit expansion. The Company's portion of budgeted 2021 capital expenditures at the Canadian Malartic mine are $145.3 million, which includes $61.9 million in capital expenditures expected to be incurred in connection with the Odyssey project.

In 2021, the Partnership completed the Odyssey Study. The following table sets out a summary of key estimates and parameters of the Odyssey project. The forecast parameters surrounding the proposed operations at the Odyssey project were based on the Odyssey Study, 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 basis for the Odyssey Study and the qualifications and assumptions made by the qualified person who undertook the Odyssey Study are set out in this AIF. The results of the Odyssey Study had no impact on the results of any pre-feasibility or feasibility study in respect of the Odyssey project.

Odyssey Project Summary

(All numbers are approximate and on a 100% basis)

Estimated Total Production	6.93 million gold ounces
	2.32 million silver ounces
Average metallurgical recovery	~95.2% gold
	~80.0% silver
Average Annual gold production	
2023	46,600 oz (825 k. tonnes, 1.84g/t gold and 1.10 g/t silver)
2024 to 2026 (average per year)	81,500 oz (1,344 k. tonnes, 1.98g/t gold and 1.10g/t silver)
2027	256,200 oz (2,810 k. tonnes, 2.98g/t gold and 1.10g/t silver)
2028	384,600 oz (3,333 k. tonnes, 3.79g/t gold and 1.10g/t silver)
2029 to 2039 (average per year)	545,400 oz (6,463 k. tonnes, 2.76g/t gold and 1.10g/t silver)
Minesite costs per tonne	
2023	$93 C$/t
2024 to 2026 (average per year)	$77 C$/t
2027	$79 C$/t
2028	$79 C$/t
2029 to 2039 (average per year)	$61 C$/t
Average total cash costs on a by-product basis (including royalties)	
2023 to 2028	800 /oz
2029 to 2039	630 /oz
Royalty	5.5% NSR
Mine life	17 years
Capital Expenditures	
Initial capital expenditures	$1,144 million (2021 to 2028)
Other growth capital expenditures	$191 million (2021 to 2028)
Gold production 2021 to 2028	932 thousand ounces
Sustaining capital expenditures	$56 million per year (2029 – 2039)
Breakdown of Capital Expenditures by year (2021 – 2028)	
2021	$114 million
2022	$204 million
2023	$137 million
2024 to 2026 (average per year)	$164 million
2027	$209 million
2028	$180 million
Breakdown of Initial Capital Expenditures by category	
Shaft & Surface	$478 million
Mining Equipment	$163 million
U/G Development & Construction	$503 million
Net Present Value	$1,142 million (after tax)
Internal Rate of Return	17.5%
Payback Period	10 years
Economic Assumptions:	
Gold Price	$1,550
Silver Price	$22.00
USD:CAD	1.30
Effective tax rate	38%
Discount rate	5%

Development

Development activities at the Canadian Malartic mine in 2020 were focused on the Odyssey project. The main work in 2020 consisted of site preparation, construction of the portal and the ramp contractor's garage, delivery of the project building and installation of the potable water and wastewater system. Development activities in 2021 are expected to include construction of the headframe and engineering and procurement of the 120kV line and transformers, as well as delivery of the surface maintenance shop, the compressor building, the enlargement of Highway 117 and the permanent access to the Odyssey site. At year-end 2020, the ramp had progressed by 102 metres and an additional 1,500 metres of ramp development is planned for 2021. Installation of a fresh air raise with heater and a main fan are also expected be completed in 2021.

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

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. It extends on a 2 kilometre strike and a width of 1 kilometre (perpendicular to the strike), and from surface to -400 metres below surface. The gold resource is mostly hosted by altered clastic sedimentary rocks of the Pontiac Group (70%) overlying an epizonal dioritic porphyry intrusion.

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

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 deposit that is originally modelled for surface mining evaluation extends on a 1.7 kilometre strike and a width of 900 metres (perpendicular to the strike), and from surface to -480 metres below surface. 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 volcanic rocks (north of the fault contact).

The East Malartic deposit (as modelled for the underground mining model) has been previously mined by the East Malartic, Barnat and Sladen mines along the contact between the LLCFZ and the Pontiac Group sedimentary rocks. This deposit includes the deeper portion of the South Barnat deposit (below actual pit design). This deposit extends on a 3 kilometre strike and a width of 1.1 kilometres (perpendicular to the strike), and the bottom of the South Barnat actual pit design to -1,800 metres below surface. The geological settings are similar to those found in other areas of the property, corresponding mainly to the depth extension of the geological context presented above for the South Barnat open pit deposit.

The Odyssey deposit is also located at the contact between the LLCFZ and the Pontiac Group sedimentary rocks in the eastern extension of the East Malartic deposit. It extends on a 2 kilometre strike and a width of 500 metres (perpendicular to the strike), and from surface to –1,500 metres below surface. It is characterized by the presence of a massive porphyritic unit. While the whole porphyritic intrusion is anomalous in gold, continuous zones of higher-grade (>1 g/t gold) gold mineralization occur along the south-dipping sheared margins of the intrusion (in contact with the Pontiac Group to the south and the Piché Group to the north). Within the porphyritic unit, gold mineralization is also associated with other geological features, including silica and potassic alteration zones, discrete shear zones, swarms of quartz veins, stockworks and zones with disseminated pyrite (0.7 to 2.0%).

The East Gouldie deposit is located south of the Odyssey deposit and has a strike length of at least 1.2 kilometres and extends from approximately -780 metres below surface to more than 1.9 kilometres depth. It's generally constrained in a west-trending high-strain corridor (40 to 100 metres true width) that dips approximately 60 degrees north. The high strain corridor is defined by a strongly developed foliation that affects Pontiac Group greywacke as well as crosscutting east-southeast-trending intermediate porphyritic dykes and mafic dykes. Evidence for folds in bedding occur in historical surface geology maps and in drill core, but the deposit is tabular and relatively straight. The mineralization is hosted in highly strained intervals of greywacke with 1% to 2% disseminated pyrite and strong silica alteration, and moderate sericite and carbonate alteration. Intermediate porphyritic dykes locally occur in the mineralized zones and are gold-bearing where affected by the high strain and alteration. Minor irregular cm- to dm-scale quartz veins occur, some with visible gold, but the bulk of the gold mineralization is interpreted to be associated with the disseminated style of mineralization.

Several other mineralized zones have been documented within the LLCFZ, namely Buckshot, East Amphi, Western Porphyry and Fourax, all of which are generally spatially associated with stockworks and disseminations within or in the vicinity of dioritic or felsic porphyritic intrusions.

Exploration and Drilling

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

Diamond drilling is used for exploration on the Canadian Malartic property. In 2020, 123 holes, hole extensions or wedge holes (105,122 metres) were drilled with the aim of increasing inferred mineral resources. Conversion drilling expenditures at the Canadian Malartic mine during 2020 were approximately C$10.9 million (50% basis). The main focus of the 2020 conversion program was the East Gouldie Zone, located 700 metres south of the Cadillac Larder Lake Deformation Zone. The drilling into East Gouldie covered over 1,400 metres along the strike and tested the down plunge mineralization between 800 metres to 1,900 metres depth. A smaller program tested the depth extension of mineralization below the pit along the Sladen deformation zone.

In 2020, regional exploration on the Canadian Malartic property, other than the pit area, involved 66 holes (25,201 metres) of exploration drilling in the Marianne Zone target (part of the Odyssey project) and on initial exploration of the Rand Malartic property. Regional exploration expenditures at the Canadian Malartic mine during 2020 were approximately C$2.5 million (50% basis).

In 2021, the Company expects to spend $11.9 million (50% basis) for 141,400 metres (100% basis) for mine exploration and conversion drilling. The East Gouldie zone combined with the Odyssey South zone will be the main underground targets for 2021. With respect to regional exploration, the Company expects to spend $3.1 million (50% basis) for 32,000 metres (100% basis) of exploration drilling focused on the Rand Malartic, East Amphi and Radium North properties.

Mineral Reserves and Mineral Resources

The combined amount of gold in proven and probable open pit mineral reserves at the Canadian Malartic property at the end of 2020 (on a 50% basis) was 2.21 million ounces (61.4 million tonnes of ore grading 1.12 g/t gold), which represents a decrease of approximately 175,000 ounces of gold as compared to the end of 2019, after producing 284,317 ounces of gold (325,002 ounces *in situ* gold mined). The reduction in mineral reserves was principally associated with ore mined during 2020, partially offset by the addition of 150,000 ounces of gold due the optimization of the Barnat pit. Measured and indicated mineral resources at the Canadian Malartic property decreased by 6 million tonnes to 2.7 million tonnes grading 1.21 g/t gold, mainly due to a reporting change for the indicated mineral resources below the pits now primarily reported as underground mining scenarios within a potentially mineable shape. Inferred mineral resources at the Canadian Malartic property increased by 1.3 million tonnes in 2020 to 3.7 million tonnes grading 0.78 g/t gold, mainly due to a new surface mining optimization using a lower cut-off grade for Western Porphyry.

As at December 31, 2020, the East Malartic deposit had underground indicated mineral resources of 5.7 million tonnes grading 2.03 g/t gold and underground inferred mineral resources of 43.4 million tonnes grading 1.91 g/t gold. As of the same date, the Odyssey deposit had underground indicated mineral resources of 1.0 million tonnes grading 1.90 g/t gold and inferred mineral resources of 13.9 million tonnes grading 2.05 g/t gold. As of the same date, the East Gouldie deposit had underground inferred mineral resources of 31.5 million tonnes grading 3.17 g/t gold.

All mineral reserve and mineral resource estimates for Canadian Malartic, East Gouldie, East Malartic and Odyssey reflect Agnico Eagle's 50% ownership in the property.

Kittila Mine

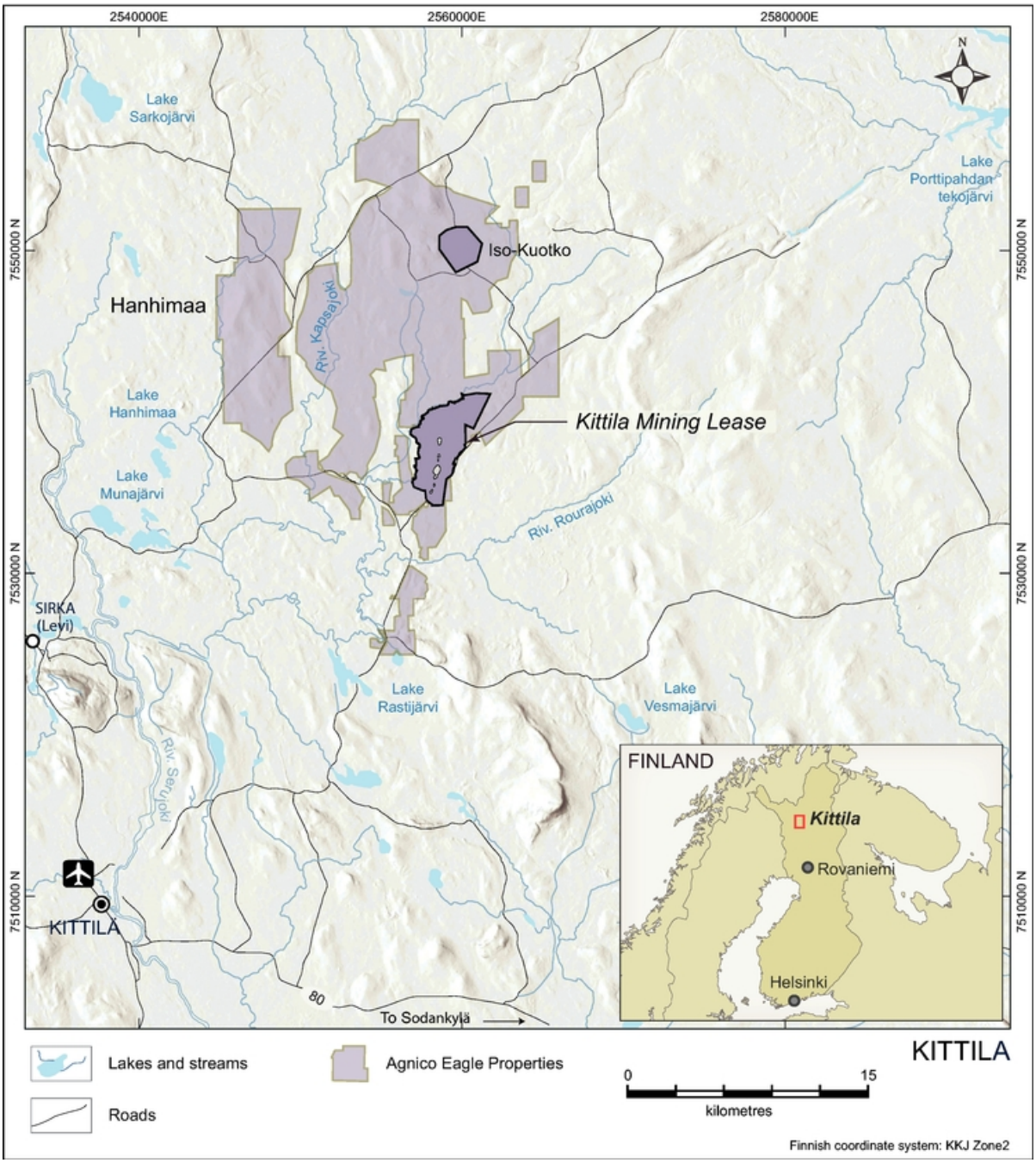
The Kittila mine, which achieved commercial production in May 2009, is located in northern Finland, approximately 900 kilometres north of Helsinki and 50 kilometres northeast of the town of Kittila. At December 31, 2020, the Kittila mine was estimated to contain proven and probable mineral reserves of 4.07 million ounces of gold comprised of 30.4 million tonnes of ore grading 4.16 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 75 individual tenements. The tenements form a continuous block around the Kittila and Kuotko mining licences. The block has been divided into the Suurikuusikko area (which includes the Rouravaara area), the Suurikuusikko West area, the Suurikuusikko East area, the Hanhimaa area and the Kittila and Kuotko mining licences. The Kuotko mining licence is located approximately 15 kilometres north of the Kittila mine.

All of the tenements at the Kittila mine are registered in the name of Agnico Eagle Finland Oy, an indirect, wholly-owned subsidiary of the Company. The expiry dates of the tenements vary, with the earliest expiry date having occurred in March 2020, 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.

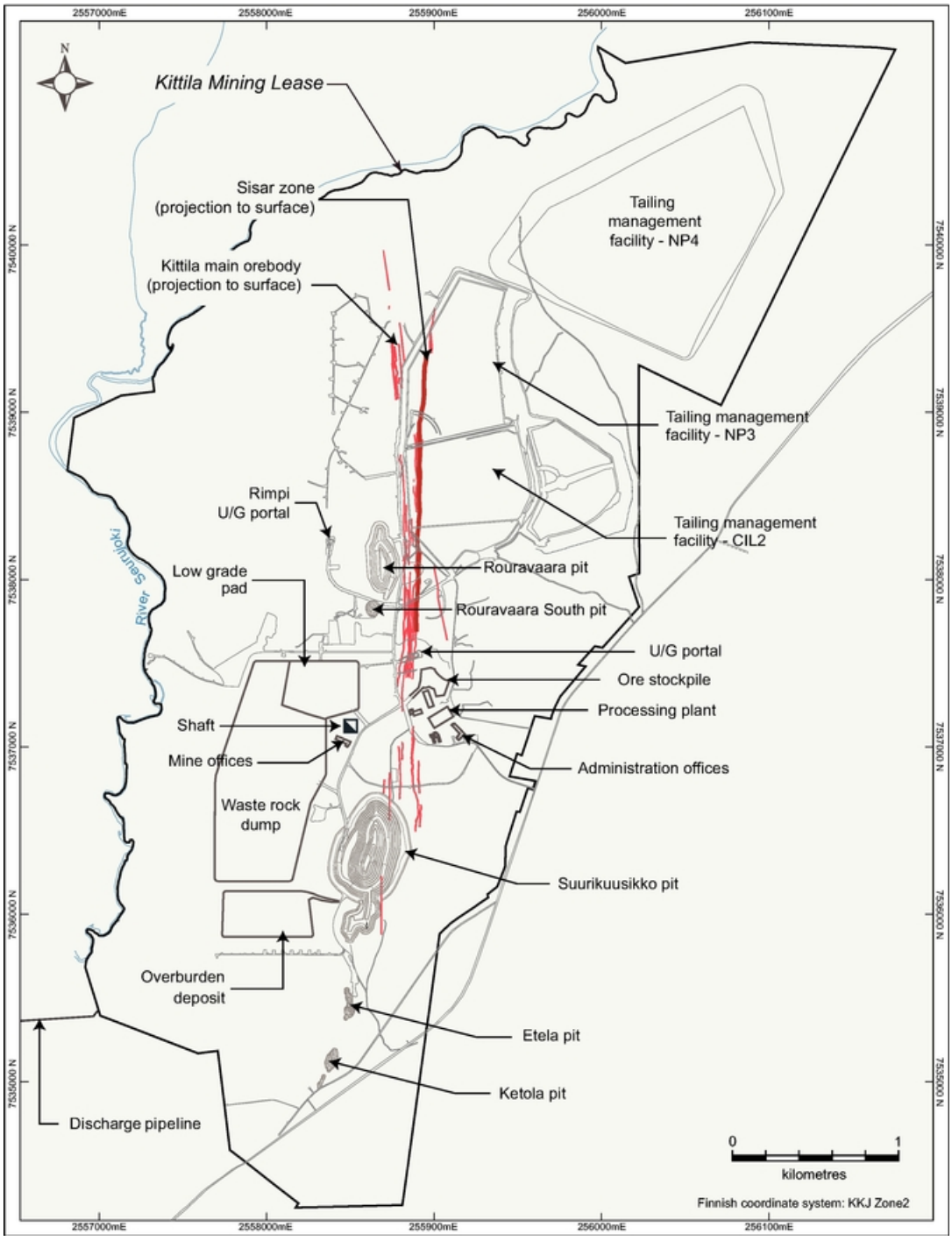
Location Map of the Kittila Mine (as at December 31, 2020)



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 6,000-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 and further expanded to 6,000 tonnes per day in 2020. 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, 2020)



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. Work continued throughout 2020 to develop the

exploration and production ramps, as well as other work to access the underground mineral reserves, including development of a ramp towards the parallel Sisar Zone.

In 2018, the Company commenced construction of the shaft and mill expansion. In 2019, the Company commissioned the Rimpi paste backfill plant and the central pumping station. In 2020, the Company completed the mill expansion, construction of the first phase of the NP4 tailings pond and construction of the discharge waterline. In 2021, the Company expects to construct the second phase of the NP4 tailings pond, commence construction of a new water treatment facility and commission the first phase of the new 900 service level.

Mining Methods

At the Kittila mine, the Suurikuusikko, the Rouravaara and the Rimpi orebodies are currently mined by underground mining methods accessed via ramp. Approximately 5,000 to 5,500 tonnes of ore per day are fed to the processing plant. 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, 15,000 to 17,000 metres of tunnels will be developed each year. After extraction, stopes are filled with paste backfill or cemented backfill to enable the safe extraction of ore in adjacent stopes. Ore is trucked to the surface crusher via the ramp access system. On February 14, 2018, the board of directors (the "Board") of the Company approved the construction of a 1,044 metre deep shaft, a processing plant expansion as well as other infrastructure and service upgrades. In 2020, the mill expansion was completed in October and shaft construction continued (84% complete at year-end). COVID-19 related travel restrictions affected the availability of the foreign workforce utilized for shaft sinking and commissioning of the production hoist has been postponed to 2022.

Surface Facilities

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

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

Production and Mineral Recoveries

In 2020, the Kittila mine had payable production of 208,125 ounces of gold from 1.70 million tonnes of ore grading 4.38 grams of gold per tonne. The production costs per ounce of gold produced at Kittila in 2020 were $816. The total cash costs per ounce of gold produced at Kittila in 2020 were $805 on a by-product basis and were $806 on a co-product basis and the processing facility averaged 4,650 tonnes of ore per day and operated 85.5% of available time. During 2020, flotation recoveries averaged 93.5%; recoveries in the second stage of the process averaged 92.9% and global recoveries were 86.6%. The production costs per tonne at Kittila were €87 and the minesite costs per tonne were €86 in 2020.

The following table sets out the metal recoveries at the Kittila mine in 2020.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	4.38 g/t	86.8%	208,125 oz

In 2021, the Kittila mine is expected to produce approximately 250,000 ounces of gold from 2.0 million tonnes of ore grading 4.42 grams of gold per tonne at estimated total cash costs per ounce of approximately $760 on a by-product

basis, with estimated gold recovery of 86.0%. Minesite costs per tonne of approximately €77.40 are expected in 2021.

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 initial tailings storage facility ("TSF") was completed in the fall of 2008 and the TSF has been modified since then, including in 2018 and 2019 with the use of cement injection to increase stability. Following receipt of the necessary permit, construction of a new TSF cell commenced in 2019 and the first phase of this new cell was commissioned for tailings deposition in late 2020. 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 impacts are monitored in accordance with the comprehensive monitoring program that has been approved by the Finnish environmental authorities. Work on enhancing the scrubbing of mill gases has resulted in a design to recover heat loss and use it to heat buildings. Engineering work on a district heat network expansion was completed in 2020. Financial assurance for site closure is provided to the environmental authorities on an annual basis in the amount prescribed by the environmental permit. The closure estimate was updated in 2020 following a review of the closure strategy and to account for the recently expanded tailings facility.

In 2020, the Company was granted the permits to expand mine production to 2.0 Mta and the use of a new discharge location. The new discharge pipeline construction was completed and commissioned at the end of 2020. Engineering design of a water treatment plant to manage total nitrogen concentration and loading is underway and construction is planned for 2022 with commissioning expected in early 2023.

Capital Expenditures

Capital expenditures at the Kittila mine during 2020 totaled approximately $203.4 million, which included sustaining capital expenditures, deferred expenses, development capital expenditures related to the shaft construction and mill expansion project and capitalized exploration. The Company expects capital expenditures during 2021 at the Kittila mine to be approximately $113.3 million (including capitalized exploration) of which $61.7 million in capital expenditures expected to be incurred in connection with the shaft construction.

Development

In 2020, underground development continued in the Suuri, Roura, Sisar and Rimpi mining areas. A total of 16,121 metres of ramp and sublevel access development were completed during the year. A total of 0.27 million tonnes of ore from development and 1.59 million tonnes of stope ore were mined in 2020. The Company expects to complete approximately 15,300 metres of lateral development and 260 metres of vertical development during 2021.

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 ("RimpiS"), the deep extension of Rimminvuoma ("Rimpi Deep"), North Rouravaara ("RouraN"), Central Rouravaara ("RouraC"), depth extension of Rouravaara and Suurikuusikko ("Suuri/Roura Deep"), Suurikuusikko ("Suuri"), Etela and Ketola. The Suuri and Suuri/Roura Deep zones include several parallel subzones that have previously been referred to as Main East, Main Central and Main West. The Suuri zone hosts approximately 5% of the current proven and probable gold reserve estimate on a contained gold basis, while Suuri Deep has approximately 20%, RouraN and RouraC approximately 3%, Roura Deep approximately 41%, Rimpi Deep approximately 24% and RimpiS approximately 7%.

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

Exploration and Drilling

Gold was initially discovered near the village of Kiistala in 1986. Diamond drilling is used for exploration on the Kittila property. In 2020, exploration within the mining licence area focused on the Roura Deep, Suuri Deep and Rimpi Deep areas, including the parallel Sisar Zone lens in all areas. A total of 649 drill holes (94,421 metres) were completed in 2020. Of these drill holes, 552 holes (57,626 metres) were for delineation drilling, 13 holes (1,313 metres) were for condemnation and technical studies, 42 holes (11,820 metres) were for conversion drilling and 55 holes (24,976 metres) were for mine exploration. Total expenditures for exploration and delineation related diamond drilling in 2020 were $16.6 million, including $1.5 million for conversion drilling and $7.9 million for exploration.

Outside of the Kittila and Kuotko mining licence areas in 2020, systematic diamond drilling and target focused ground geophysical surveying continued along the Suurikuusikko Trend, and a number of targets were tested by diamond drilling. A total of 78 holes (9,728 metres) were drilled on exploration targets outside of the mining licence areas in 2020, at a cost of $3.0 million.

For 2021, the capitalized exploration budget for the Kittila mine is approximately $11.3 million for 65,000 metres of drilling designed to further explore the mine's mineral reserve and mineral resource potential and to evaluate the potential to develop the Sisar Zone as a new mining horizon at Kittila. Another 9,500 metres of expensed exploration drilling budgeted at approximately $3.0 million will target mineralization beyond the current mineral resource area, especially at depth. Outside of the mining licence areas, $5.0 million of expensed exploration expenditures, including 15,000 metres of diamond drilling, is planned for exploration along the Suurikuusikko, Kapsa and Hanhimaa Trends.

Mineral Reserves and Mineral Resources

The combined amount of gold in proven and probable mineral reserves at the Kittila mine at the end of 2020 was 4.07 million ounces (30.4 million tonnes of ore grading 4.16 g/t gold), which represents a decrease of approximately 29,0000 ounces of gold as compared to the end of 2019, after producing 208,125 ounces of gold (239,607 ounces in *situ gold* mined). This decrease was associated with ore mined during 2020 which was offset by the addition of mineral reserves due to the decrease of cut-off grade parameters used for mineral reserve estimation. Measured and indicated mineral resources (mainly underground) increased by 4.8 million tonnes to 23.0 million tonnes grading 2.50 g/t gold at December 31, 2020 due to successful conversion drilling and a decrease of cut-off grade parameters. Inferred mineral resources (mainly underground) decreased by 1.8 million tonnes from 2019 to 12.0 million tonnes grading 3.77 g/t gold due to the conversion of inferred mineral resources to indicated mineral resources by drilling.

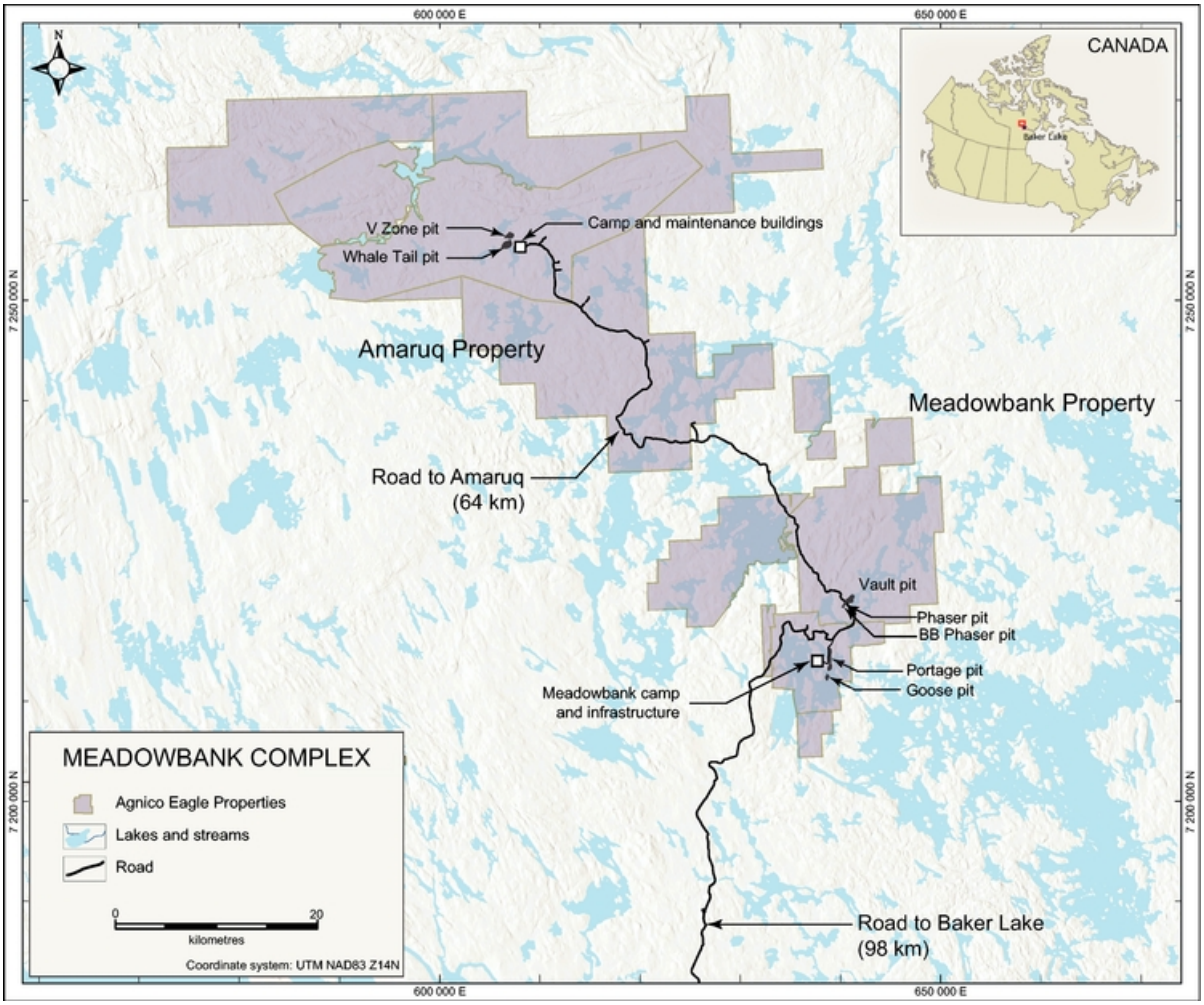
Meadowbank Complex (including the Meadowbank Mine and Amaruq Satellite Deposit)

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

At December 31, 2020, the Meadowbank Complex, including the Amaruq satellite deposit at Meadowbank, was estimated to contain proven and probable mineral reserves of 2.89 million ounces of gold comprised of 23.2 million tonnes of ore grading an average of 3.87 grams of gold per tonne. The Company acquired its 100% interest in the Meadowbank mine in 2007 through its acquisition of Cumberland. The Amaruq property is also 100% owned by the Company as a result of agreements with Nunavut Tunngavik Inc. ("NTI") in 2013 and with the Kivalliq Inuit Association ("KIA") in 2017.

In February 2021, the Board approved the construction of the Amaruq underground project and first gold production is expected in early 2022.

Location Map of the Meadowbank Complex, including the Amaruq satellite deposit (as at December 31, 2020)



The Meadowbank Complex is held under 24 Crown mining leases, four exploration agreements and one Crown mineral claim. The Crown mining leases, which cover the Portage, Goose and Goose South deposits at the Meadowbank site, are administered under federal legislation. The Crown mining leases, which have renewable 21-year terms, have no annual work commitments but are subject to annual rental fees that vary according to their renewal date. The production lease with the KIA is a surface lease and requires the payment of C$71,000 annually. Production from subsurface lease areas is subject to a royalty of up to 14% of the adjusted net profits, as defined in the *Northwest Territories and Nunavut Mining Regulations*. To conduct exploration on the Inuit-owned lands at the Meadowbank Complex, the Company must receive approval for an annual work proposal from the KIA, the body that holds the surface rights in the Kivalliq District and administers land use in the region through various boards.

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

To stake the original Amaruq property, the Company initiated negotiations with NTI and an agreement was signed in early 2013, at which time the Company obtained a 100% interest in the property. The resulting NTI exploration agreement is identified as Inuit-owned Land area BL43-001, that was subsequently expanded to cover 40,839 hectares, including the 285-hectare production lease. During the exploration phase, lands within exploration agreements can be held for up to 20 years (expiring in 2032) and the production lease for up to ten years (expiring in 2029). In 2015 and 2017, the Company added mineral rights to the project; the claims now cover 76,981 hectares. The additional claims are held under the *Northwest Territories and Nunavut Mining Regulations* and administered by Aboriginal Affairs and Northern Development Canada, and are referred to as federal Crown land. As of December 2020, the property totals 198,507 hectares.

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

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

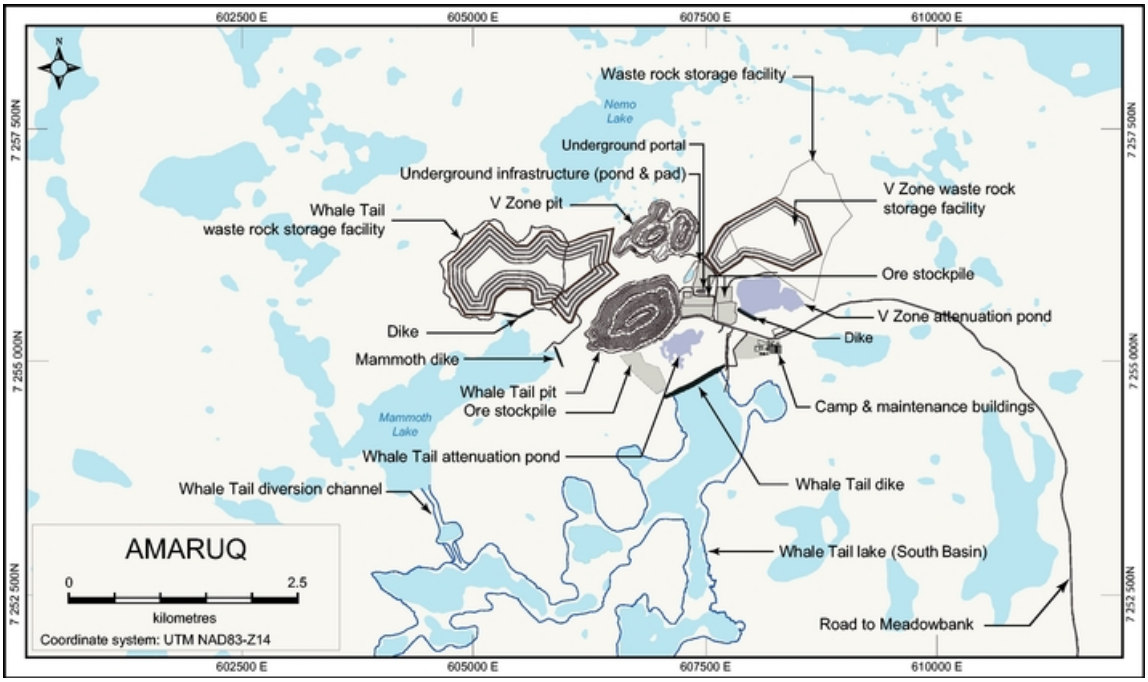
A 64-kilometre road from the Meadowbank site to the Amaruq satellite deposit was completed in August 2017 and it was widened for ore haulage in November 2018. Ore from the Amaruq satellite deposit is hauled to the Meadowbank mill using long haul off-road type trucks.

Mining and Milling Facilities

Surface Plan of the Meadowbank Mine (as at December 31, 2020)



Surface Plan of the Amaruq satellite deposit at Meadowbank (as at December 31, 2020)



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

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

In 2020, following fishout and dewatering activities in the North-East watershed, the Company dismantled the North East dyke to allow mining activities of the Whale Tail expansion. The IVR diversion channel that will divert a portion on the non-contact water towards the Nemo Lake watershed was also constructed in 2020. In 2021, the Company expects to construct and commission the IVR attenuation pond which includes the construction of the IVR dyke D1.

Mining Methods

All ore at the Meadowbank Complex is now sourced from the Amaruq satellite deposit at Meadowbank. Mining at the Amaruq satellite deposit is by open pit methods using excavators and trucks. The ore is extracted conventionally using drilling and blasting, then hauled by a long haul off-road truck fleet to the mill at the Meadowbank facilities for processing. Commercial production was achieved on September 30, 2019 at the Whale Tail pit. The V Zone pit began pre-stripping activities in the third quarter of 2020 and achieved commercial production on December 31, 2020.

At the Amaruq underground project, the existing exploration portal and ramp will be used for development and production. The exploration ramp is currently at a depth of approximately 340 metres below surface and in 2021

approximately 2,421 metres of underground development are planned. A traditional truck and scoop tram approach will be used for underground mucking and hauling. Once at surface, ore will be hauled by a long haul off-road truck fleet to the mill at the Meadowbank facilities for processing. Ore from the underground mine will be prioritized for transportation to the Meadowbank Processing Plant as it is expected to have a higher gold content. Underground tailings will be mixed with open pit tailings prior to deposit in-pit at the Meadowbank site.

Long-hole open stoping will be used for mining the Amaruq underground deposit and stopes will be backfilled using cemented rockfill. Testing of cemented rockfill in cold conditions was initiated in 2019 and confirmed the applicability of the assumptions used for the project.

Surface Facilities

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

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

Facilities constructed at Baker Lake include a barge landing site located three kilometres east of the community and a storage compound. A fuel storage and distribution complex with capacity for 70 million litres of diesel fuel and 1.8 million litres of jet fuel is located next to the barge landing facility.

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 and the Meadowbank mill successfully processed ore from both Whale Tail and V Zone deposits in 2020.

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

The cyclone overflow, originally sent to the grinding thickener, now feeds the newly installed regrind circuit consisting of three continuous variable discharge knelson concentrators which concentrate higher density and heavier ore minerals. The tailings of the concentrator directly flow to the grinding thickener while the concentrated ore is classified at the regrind cyclones. The regrind cyclone overflow combines with the tailings of the concentrators to add flow towards the grinding thickener while the cyclone underflow is fed into the high intensity grinding mill to grind the concentrated coarse ore into a finer size. The particle size target of the slurry flow is controlled by a particle size instrument based on the variable speed of the high intensity grinding mill motor power/speed. The liberated slurry returns to the original flow by feeding into the grinding thickener for dewatering.

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.

In 2021, new facilities will be added at Amaruq to support the underground project, including: new mine dry, surface ventilators, cemented rock fill plant, compressor room, new generators and new electric house. In addition, a high pressure grinding roll ("HPGR") unit is expected to be commissioned by the second quarter of 2022. The conveyor that feeds from the dome ore stockpile to the SAG mill will be modified so that it can feed a splitter which can either

feed the HPGR or be bypassed to the SAG if the HPGR is not available. A new conveyor will feed a screen for oversize material and the remaining ore will directly fall to the HPGR feed chute to be crushed into a smaller size. The HPGR product and screened oversize particles are then fed into the existing SAG mill feed chute for primary grinding. The HPGR crusher will be housed in a newly constructed building near the existing Pebble Crusher Building.

Production and Mineral Recoveries

During 2020, the Meadowbank Complex had payable production of 209,413 ounces of gold from 2.6 million tonnes of ore grading 2.72 grams of gold per tonne, including pre-commercial production of 10,995 ounces of gold. The production costs per ounce of gold produced at the Meadowbank Complex in 2020 were $1,436. The total cash costs per ounce of gold produced at the Meadowbank Complex in 2020 were $1,404 on a by-product basis and were $1,411 on a co-product basis. The Meadowbank processing facility averaged 7,113 tonnes per day and operated approximately 76% of available time. Gold recovery averaged 91.98%. The production costs per tonne at Meadowbank were C$154 and the minesite costs per tonne were C$148 in 2020.

The following table sets out the metal recoveries at the Meadowbank mine in 2020.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.72 g/t	91.98%	209,413 oz

In 2021, the Meadowbank Complex mine is expected to produce approximately 370,000 ounces of gold from 3.4 million tonnes of ore grading 3.63 grams of gold per tonne at estimated total cash costs per ounce of approximately $917 on a by-product basis, with estimated gold recovery of 93.2%. Minesite costs per tonne of approximately C$130.30 are expected in 2021.

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

The development of the Meadowbank mine was subject to an extensive environmental review process under the Nunavut Land Claims Agreement ("NLCA") administered by the NIRB. On December 30, 2006, a predecessor to the Company received the Project Certificate from the NIRB, which included terms and conditions to ensure the environmental integrity of the development process. In July 2008, the Company received a water licence from the Nunavut Water Board ("NWB") for construction and operation of the mine subject to additional terms and conditions. Both authorizations were approved by the Minister of Aboriginal Affairs and Northern Development Canada. This water licence was renewed in 2015 and has been amended several times, including for in-pit tailings disposal and the mining of the Whale Tail deposit since that time, and the expiry of the licence is now 2030.

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

An Inuit Impact and Benefit Agreement for the Meadowbank mine (the "Meadowbank IIBA") was signed with the KIA in March 2006, amended on October 18, 2011 and further updated in March 2017. The Meadowbank IIBA ensures that local employment, training and business opportunities arising from all phases of the project are accessible to the Kivalliq Inuit. The Meadowbank IIBA also outlines the special considerations and compensation that must be provided to the Inuit regarding traditional, social and cultural matters.

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

Permitting for the operation of the Amaruq satellite deposit at Meadowbank was completed in 2018, and an Inuit Impact and Benefit Agreement and a water compensation agreement were signed with the KIA for the project

(the "Whale Tail IIBA"). The Whale Tail IIBA is substantively aligned with the Meadowbank IIBA to ease implementation and management. Dyke construction was initiated in 2018 to isolate the Whale Tail pit area from the lake; dewatering of the pit area was completed in 2019. Key water management infrastructure, including the South Whale Tail Channel to Mammoth Lake and the IVR water deviation were completed in 2020. Permits for the expansion project were received in 2020 that include development and mining of the underground portions of the Whale Tail and V Zone deposits as well as the V Zone open pit.

At the Meadowbank Complex, a series of four dykes were built to isolate the mining activities at the Portage and Goose deposits from neighbouring lakes. An additional dyke was built in 2013 to isolate the mining activities at the Vault deposit. 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 and tailings deposited in the Portage pit will be covered with water during the closure phase of the pit, which will prevent any acid generation. Because the site is underlain by greater than 400 metres of permafrost, the waste rock below the capping layer is expected to freeze, resulting in low (if any) rates of acid rock drainage generation in the long term.

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

The water management objective for the Meadowbank mine site is to minimize the potential impact on the quality of surface water and groundwater resources at the site. All contact water originating from the mine site or mill is intercepted, collected and conveyed to the tailings storage facility for reuse in process. There is no discharge of contact water from the mine site or the Portage pit area to offsite receiving water bodies. All contact water generated at the Vault pit area, including the Vault Waste Rock Storage Facility, is conveyed to the Vault Pit where passive flooding is on-going.

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 instituted and maintains a dust monitoring and 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 2015 and 2016 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. The Type A water licence has been amended several times with the most recent in May 2018, when it was amended to reflect the necessary changes to process the additional ore originating from Whale Tail Pit.

In December 2016, the Amaruq satellite deposit at Meadowbank received an amended Type B water licence authorizing the development and construction of a portal/ramp and associated infrastructure. A commercial lease with the KIA authorizes the construction and operation of the exploration camp and exploration activities in a defined area. An exploration permit with the KIA authorizes the exploration activities that are located outside the commercial lease area. In November 2017, the Company received a pre-development exemption from the Nunavut Impact Review Board ("NIRB") and, in February 2018, a Type B Licence to begin shipping material, expanding the road and preliminary site development at the Whale Tail pit. In March 2018, the NIRB Project Certificate was received for the Amaruq satellite deposit. In July 2018, the NWB Water Licence Type A was received and it allowed for construction and mining operation on the Amaruq property. In February 2020, an amended NIRB Project Certificate was received and in May 2020, an amended Water Licence was received, that allow for the development of the Amaruq Expansion Project. The amended Water Licence also transfers certain activities from the scope of the Type B Licence to be included within the scope of the amended Type A Water Licence.

Capital Expenditures

In 2020, the Company incurred approximately $160.4 million in capital expenditures at the Meadowbank Complex, including $75.4 million in capital expenditures incurred in relation to the construction of the V Zone pit at the Amaruq satellite deposit prior to declaring commercial production on December 31, 2020 and $27.1 million incurred in connection with the Amaruq underground project. In 2021, a total of $150.0 million (including capitalized exploration) in capital expenditures has been budgeted to be spent at the Meadowbank Complex, which includes $99.0 million in capital expenditures expected to be incurred in connection with the Amaruq underground project.

Geology, Mineralization, Exploration and Drilling

Geology

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

Three mineable gold deposits, Goose, Portage and Vault (all now mined out), have been discovered along the 25-kilometre long Meadowbank gold trend, and the PDF deposit (a fourth deposit) has been outlined on the northeast gold trend. These known gold resources were within 225 metres of the surface, making the deposits amenable to open pit mining. In addition, two mineable deposits have been discovered at the Amaruq satellite deposit, the Whale Tail and V Zone, which come together at depth northeast of Whale Tail Lake. Both extend from surface, making them amenable to open pit mining. A ramp is being driven between the two deposits and is currently 350 metres below surface, in the footwall of Whale Tail deposit. A draw point is being developed 290 metres below surface to cross the entire Whale Tail mineralized zones and will provide relevant geological information.

Mineralization

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

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

Exploration and Drilling

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

In 2020, drilling conducted at Amaruq totaled 381 holes (43,515 metres), including 33 holes (2,655 metres) at the Whale Tail deposit for conversion as well as 29 holes (2,148 metres) into the V Zone for conversion. In addition, delineation drilling was conducted on the Whale Tail deposit with 144 holes (17,519 metres) as well as 143 holes (14,010 metres) into the V Zone for delineation. Also completed were nine geotechnical drill holes (1,905 metres). Underground footwall definition drilling totaled 23 holes (5,278 metres). Regional exploration drilling campaigns were held around Amaruq and Meadowbank. A total of 12 holes (3,042 metres) were drilled in the Amaruq area while 13 holes (1,791 metres) were drilled in the Meadowbank area. In addition, 35 holes were drilled in the Meadow River area located between Amaruq and Meadowbank, near the road.

In 2021, the Company expects to spend $7.0 million for 34,900 metres of drilling, including 23,900 metres of conversion and 11,000 metres of exploration drilling, focused on testing open-pit extensions and further underground potential of the deposits at the Amaruq satellite operation.

Elsewhere in the Kivalliq region of Nunavut, in 2021 the Company expects to spend $9.0 million for 20,600 metres of drilling on regional exploration, including 10,000 metres of drilling in the Meadowbank area with a primary focus on investigating for new open-pit potential near existing infrastructure. Another 3,600 metres are expected to be drilled on other exploration targets in the region.

Mineral Reserves and Mineral Resources

At the end of 2020, the combined amount of gold in proven and probable mineral reserves at the Amaruq satellite deposit and Meadowbank was 2.89 million ounces (23.2 million tonnes of ore grading 3.87 g/t gold), which represents a decrease of approximately 430,000 ounces of gold as compared to the end of 2019, after producing 209,413 ounces of gold (227,617 ounces in *situ gold* mined). This decrease was primarily due to mining, a reinterpretation of geology and new delineation drilling. Open pit and underground measured and indicated mineral resources increased by 3.8 million tonnes to 14.7 million tonnes grading 3.30 g/t gold at December 31, 2020 due to conversion drilling and lower cut-off grade parameters for indicated mineral resources at the Whale Tail and V zones. Open pit and underground inferred mineral resources increased by 0.17 million tonnes to 8.81 million tonnes grading 4.49 g/t gold at December 31, 2020 due to lower cut-off grade parameters offset by the conversion of inferred mineral resources to indicated mineral resources at the Whale Tail and V zones.

Meliadine Mine

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

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

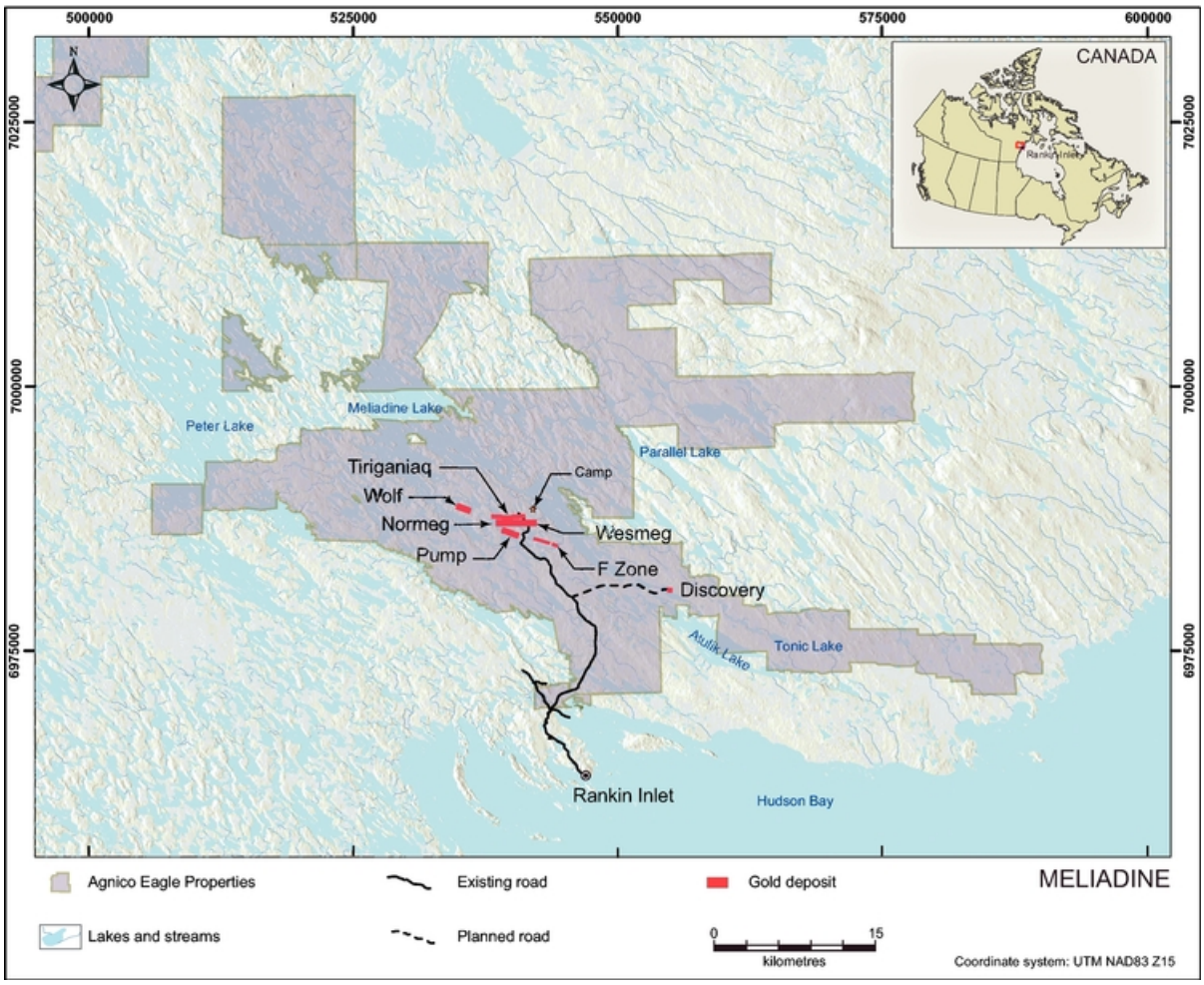
The mineral reserves and mineral resources of the Meliadine mine are estimated at December 31, 2020 to contain proven and probable mineral reserves of 4.0 million ounces of gold comprised of 21.3 million tonnes of ore grading 5.89 grams of gold per tonne.

The Meliadine property is a large land package that is nearly 80 kilometres long. It consists of mineral rights, a portion of which are held under the *Northwest Territories and Nunavut Mining Regulations* and administered by the Department of Crown-Indigenous Relations and Northern Affairs Canada and referred to as Crown Land. Crown Land is made up of mining claims and mineral leases. There are also subsurface NTI concessions administered by a division of the Nunavut territorial government. In 2020, approximately C$195,405 was paid to the Department of Crown-Indigenous Relations and Northern Affairs Canada for the mining lease. NTI requires aggregate annual rental fees of approximately C$80,510. Annual exploration expenditure requirements on the NTI concessions were suspended as a result of the COVID-19 pandemic.

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

Equipment, fuel and dry goods are transported on the annual sealift by barge to Rankin Inlet via Hudson Bay. Ocean-going barges from Churchill, Manitoba or eastern Canadian ports can access the community from late June to early October. In October 2013, the Company completed construction of a 24-kilometre-long all-weather gravel road from Rankin Inlet to the project site.

Location Map of the Meliadine mine (as at December 31, 2020)



Surface Plan of the Meliadine mine (as at December 31, 2020)



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

In 2020, the Company continued with the construction of additional water management facilities at Saline Pond No. 4 to provide additional saline water storage and at Collection Pond No. 6 to enable operation of the Waste Rock Storage Facility No. 3. Also, an upgrade was carried out at the Saline Effluent Treatment Plant to increase the capacity for the discharge to sea of saline water during the summer months. In addition, the apron feeder at the crusher dump station was replaced. Three new additional dorm wings were installed at the Main Camp.

In 2021, the Company expects to complete the installation of an additional grinding thickener at the process plant, install two additional mechanical shops, commission a new Water Treatment Complex that will house both the components of the former Effluent Water Treatment Plant and an enhanced Saline Effluent Treatment Plant required

for the discharge to sea at higher discharge rates as well as the commencement of Collecting Pond No. 2 to enable the operation of the expanded Waste Rock Storage Facility No. 3.

Mining Methods

Mining at Meliadine will be carried out through 12 open pits and two underground mining operations. Underground access is by decline, with long-hole mining methods. Each stope is backfilled, with cemented pastefill and/or cemented rockfill used in primary stopes and dry rockfill for the secondary stopes. A conventional truck/shovel operation is used for the open pits. Mining in 2020 occurred by both underground and open pit at Tiriganiaq.

Surface Facilities

Facilities at the Meliadine mine include the main camp and the exploration camp. The main camp is located approximately 1.8 kilometres north of the Tiriganiaq deposit and began operation in 2017. It consists of 14 wings of modular trailers that can accommodate approximately 700 personnel. It includes a complete kitchen facility and recreational facilities. Power for the main camp is provided by diesel generators that can be transformed to use natural gas and are equipped with a heat recovery system that provides heating for all major infrastructure connected to the power plant. Boiler units were also installed and can serve as a backup heating source. Potable water for the main camp is pumped from Meliadine Lake and treated by a UV system. The exploration camp is located on the shore of Meliadine Lake, approximately 2.3 kilometres east of the Tiriganiaq deposit. The exploration camp consists of three wings of modular trailers that can accommodate up to 139 personnel and includes a complete kitchen facility. Power for the exploration camp is provided by the power generation plant located at the main camp, with diesel generator backups. Potable water for the exploration camp is pumped from Meliadine Lake and is treated by a UV system.

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

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

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

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

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

Production and Mineral Recoveries

During 2020, the Meliadine mine had payable production of 318,889 ounces of gold (including pre-commercial production of 6,491 ounces of gold) from 1.3 million tonnes of ore grading 7.34 grams of gold per tonne. The production costs per ounce of gold produced at Meliadine in 2020 were $786. The total cash costs per ounce of gold produced at Meliadine in 2020 were $774 on a by-product basis and were $776 on a co-product basis and the processing facility averaged 3,813 tonnes of ore per day and operated 89% of available time. During 2020, gold recovery averaged 96.75%. The production costs per tonne at Meliadine were C$244 and the minesite costs per tonne were C$240 in 2020.

The following table sets out the metal recoveries at the Meliadine mine in 2020.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	7.34 g/t	96.75%	318,889 oz

Gold production during 2021 at the Meliadine mine is expected to be approximately 370,000 ounces from 1.5 million tonnes of ore grading 7.37 grams of gold per tonne at estimated total cash costs per ounce of approximately $736 on a by-product basis, with estimated gold recovery of 96.1%. Minesite costs per tonne of approximately C$218.20 are expected in 2021.

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

Land and environmental management in the region of the Meliadine project is governed by the provisions of the NLCA. The Meliadine project is located on Inuit-owned land, where Inuit own both the sub-surface mineral rights (managed by NTI) and the surface land rights (managed by the KIA on behalf of Inuit beneficiaries under the provisions of the NLCA). Consequently, to explore and develop the project, the Company must obtain land use leases from the KIA which have been granted in the form of: a commercial lease by the KIA for exploration and underground development activities, 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.

The Company received a project certificate, which set out the terms and conditions for the construction of the Meliadine mine, from the NIRB on February 26, 2015. An application for a Type A water licence from the NWB was received in April 2016. A commercial production land use lease from the KIA was signed on June 30, 2017. In 2020, the Company applied for an amendment to the water license to increase the fresh water consumption and also for an amendment to the effluent criteria to Lake Meliadine. This application is being evaluated by the NWB.

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 provisions for training and employment of Inuit employees and contracting with Inuit firms. In order for the Company to maintain a social licence to operate the Meliadine mine, the commitments included in the Meliadine IIBA are implemented and closely monitored by the Company. Moreover, the implementation of the Meliadine IIBA is managed by working groups with representatives from the Company and the KIA, and reviewed by an Implementation Committee composed of senior representatives of each party. These groups meet regularly to monitor implementation processes and issues.

A revised water certificate as well as federal authorizations to discharge clean but saline water into Hudson Bay were received in early 2019. Discharge via truck commenced in July 2019. The current Project Certificate and Water License allow the mine to collect natural saline groundwater, as well as contact surface runoff water, in separate surface storage ponds. Both water sources are treated and monitored per the Project Certificate and Water License requirements prior to discharging to Lake Meliadine for surface contact water and to the marine environment (Hudson Bay) for the natural saline groundwater. Permitting activities in connection with a saline water discharge line are continuing. In 2020, the Company applied for permits to construct and operate a waterline to discharge treated saline effluent to Hudson Bay. Discussions with NIRB are ongoing as this application is being reviewed.

Capital Expenditures

Total capital expenditures at the Meliadine mine in 2020 were approximately $129.6 million, which included underground development, sustaining capital costs, capitalized exploration as well as development capital expenditures associated with the construction of the Tiriganiaq open pit. In 2021, a total of $119.2 million (including capitalized exploration) in capital expenditures has been budgeted to be spent at the Meliadine mine, which includes $64.8 million in capital expenditures expected to be incurred in connection with the Phase 2 expansion.

Development

In 2020, 10,813 metres of horizontal development and 58.8 metres of vertical development were completed at the Meliadine mine. For 2021, the Company expects to complete approximately 12,500 metres of horizontal development and 140 metres of vertical development.

Geology, Mineralization, Exploration and Drilling

Geology and Mineralization

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

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

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

Exploration and Drilling

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

In 2020, the Company spent C$3.8 million on a conversion drilling program (16,417 metres) at the Tiriganiaq, Wesmeg and Discovery deposits. The Company also spent C$8.2 million on 23,016 metres of delineation drilling at Tiriganiaq for the open pits as well as 26,290 metres for the underground. In addition, the Company spent C$3.5 million on exploration drilling (13,798 metres) mostly at Tiriganiaq, with limited holes targeting extensions of Normeg, Wesmeg and Discovery.

In 2021, the Company expects to spend $8.3 million for 44,000 metres of capitalized drilling with a focus on conversion drilling at the Tiriganiaq, Normeg and Wesmeg deposits, as well as exploration drilling of the Tiriganiaq, Wesmeg, Pump and F-Zone deposits, which are all open at depth.

Elsewhere in the Kivalliq region of Nunavut in 2021, the Company expects to spend $9.0 million for 20,600 metres of drilling on regional exploration, including 7,000 metres of drilling in the Meliadine area with a primary focus on investigating for new open-pit potential near existing infrastructure.

Mineral Reserves and Mineral Resources

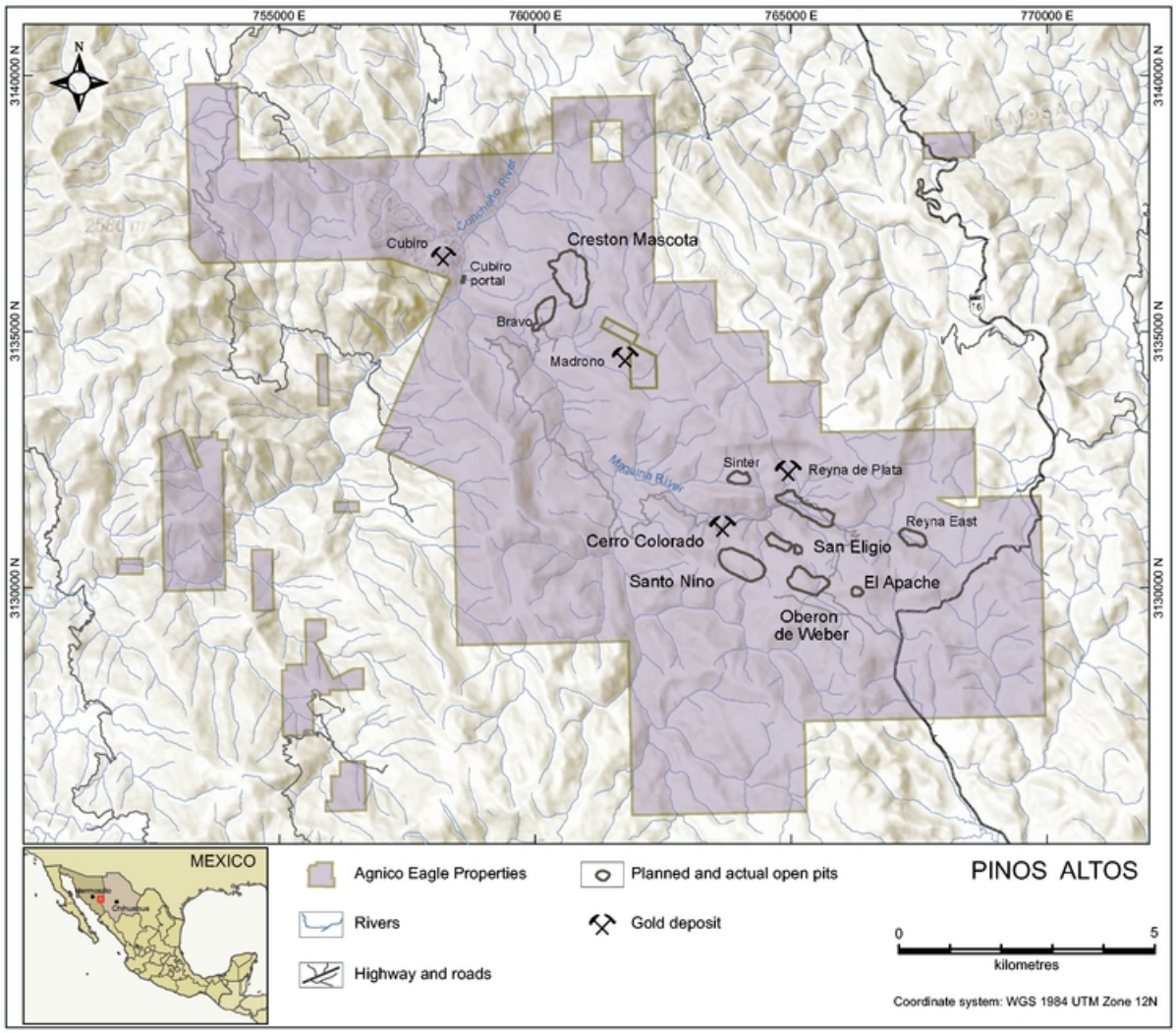
The combined amount of gold in proven and probable mineral reserves at the Meliadine mine at the end of 2020 was 4.0 million ounces (21.3 million tonnes of ore grading 5.89 g/t gold). This represents a decrease of 42,000 ounces of gold in mineral reserves from the end of 2019, after producing 318,889 ounces of gold (329,720 ounces *in situ* gold mined). The decrease is largely due to ore mined in 2020 offset by the conversion of indicated mineral resources from the Discovery deposit to proven and probable mineral reserves supported by new economic studies. Measured and indicated mineral resources at the Meliadine mine decreased by 5.9 million tonnes to 18.8 million tonnes grading 3.53 g/t gold, primarily due to the conversion of indicated mineral resources to proven and probable mineral reserves. In 2020, there was a decrease in inferred mineral resources of approximately 2.3 million tonnes to 12.3 million tonnes grading 5.82 g/t gold. This decrease in the inferred mineral resources was primarily due to the increase of cut-off grades and delays in exploration results related to COVID-19. The mineral reserves and mineral resources at Meliadine are from open pit and underground deposits.

Southern Business

Pinos Altos Mine

At December 31, 2020, the Pinos Altos mine was estimated to contain proven and probable mineral reserves of 0.88 million ounces of gold and 19.9 million ounces of silver comprised of 13.5 million tonnes of ore grading 2.03 grams of gold per tonne and 45.94 grams of silver per tonne.

Location Map of the Pinos Altos Mine (as at December 31, 2020)



In 2020, the Pinos Altos mine had payable production of 114,798 ounces of gold and 1.6 million ounces of silver from 1.65 million tonnes of ore grading 2.25 grams of gold per tonne and 51.26 grams of silver per tonne (including production from the flotation plant of 336,476 ounces of silver from 1.65 million tonnes of ore grading 30.68 grams of silver per tonne). The production costs per ounce of gold produced at Pinos Altos in 2020 were $749. The total cash costs per ounce of gold produced at Pinos Altos in 2020 were $749 on a by-product basis and were $1,050 on a co-product basis. The production costs per tonne at Pinos Altos were $63 and the minesite costs per tonne were $66 in 2020.

The following table sets out the metal recoveries at the Pinos Altos mill in 2020.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.25 g/t	93.33%	112,025 oz
Silver	51.26 g/t	58.13%	1.6 million oz

Of the 2020 total, the Pinos Altos heap leach operations had payable production of 2,772 ounces of gold and 112,025 ounces of silver from 137,664 tonnes of ore grading 0.67 grams of gold per tonne and 10.74 grams of silver per tonne.

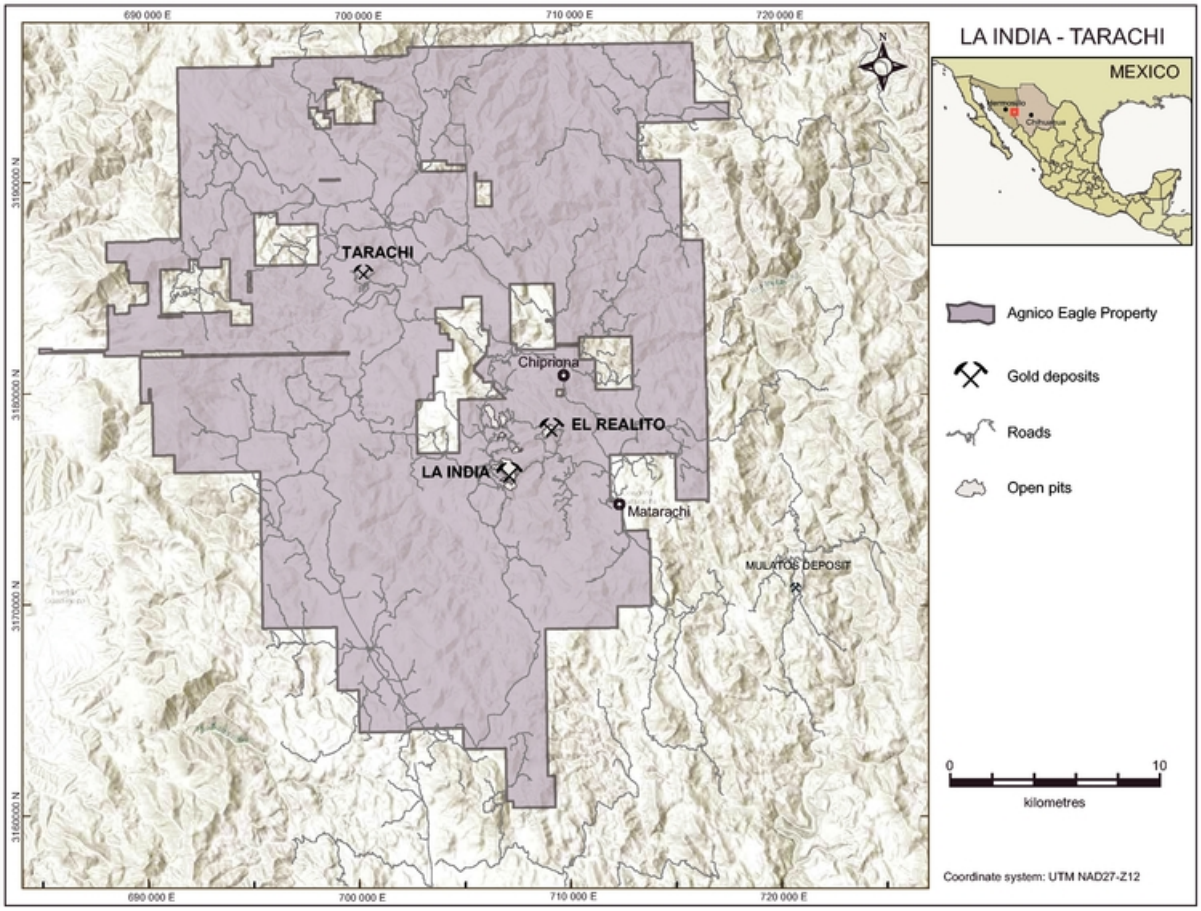
In addition, the heap leach operations at the Creston Mascota deposit had payable production of 38,599 ounces of gold and 557,843 ounces of silver, including production from the mill process of 17,402 ounces of gold and 288,556 ounces of silver from 138,921 tonnes of ore grading 4.37 grams of gold per tonne and 98.32 grams of silver per tonne and production from the heap leach process of 21,197 ounces of gold and 269,288 ounces of silver from 386,729 tonnes of ore grading 1.14 grams of gold per tonne and 22.00 grams of silver per tonne. The production costs per ounce of gold produced at the Creston Mascota deposit in 2020 were $605. The total cash costs per ounce of gold produced at the Creston Mascota deposit in 2020 were $605 on a by-product basis and were $867 on a co-product basis. The production costs per tonne at the Creston Mascota deposit were $50.22 and the minesite costs per tonne were $62.04 in 2020. The Creston Mascota deposit has now been depleted and the operation has reached the end of its mine life.

Production during 2021 at the Pinos Altos mine is expected to be approximately 122,500 ounces of gold and 1.85 million ounces of silver from 1.9 million tonnes of ore grading 2.14 grams of gold per tonne and 56.96 grams of silver per tonne, at estimated total cash costs per ounce of gold of approximately $702 on a by-product basis, with estimated gold recovery of 93.5% and silver recovery of 53.8%. Minesite costs per tonne of approximately $66.80 for milled ore are expected in 2021.

La India Mine

At December 31, 2020, the La India mine was estimated to contain proven and probable mineral reserves of 0.26 million ounces of gold and 1.2 million ounces of silver comprised of 12.0 million tonnes of ore grading 0.66 grams of gold per tonne and 3.00 grams of silver per tonne.

Location Map of the La India Mine (as at December 31, 2020)



During 2020, the La India mine had payable production of 84,974 ounces of gold from approximately 5.5 million tonnes of ore stacked on the heap leach pad grading 0.67 grams of gold per tonne. The production costs per ounce of gold produced at La India in 2020 were $802. The total cash costs per ounce of gold produced at La India in 2020 were $788 on a by-product basis and $803 on a co-product basis. The production costs per tonne were $12 and the minesite costs per tonne at La India were $12 in 2020.

The following table sets out the metal recoveries at La India in 2020.

	Head Grade	Cumulative Metal Recovery	Payable Production
Gold	0.67 g/t	66.92%	84,974 oz

Gold production during 2021 at the La India mine is expected to be approximately 77,000 ounces from 6.6 million tonnes of ore grading 0.54 grams of gold per tonne, at estimated total cash costs per ounce of approximately $1,002 on a by-product basis, with estimated cumulative gold recovery of 67.1%. Minesite costs per tonne of approximately $11.88 are expected in 2021.

Regional Exploration Activities

During 2020, the Company actively explored in Quebec, Nunavut and Ontario in Canada and in the United States, Finland, Sweden and Mexico. The Canadian regional exploration activities were focused on the Amaruq property in

Nunavut and the Upper Beaver and Upper Canada projects near Kirkland Lake, Ontario. In the United States, exploration activities during 2020 were concentrated on project evaluation. In Mexico, regional exploration was focused on the Santa Gertrudis, La India and Pinos Altos properties. In Finland, regional exploration was focused to the north of the Kittila mine along the Kiistala fault, including the Kuotko deposit. In Sweden, the Company explored the Barsele project. The Partnership focused exploration on the East Gouldie, Odyssey and East Malartic deposits (collectively known as the Odyssey Project) near to the Canadian Malartic mine. At the Company's operating mines, the Company (or the Partnership, in the case of the Canadian Malartic mine) continued exploration programs around the mines. Most of the exploration budget was spent on drilling programs near mine infrastructure along previously recognized gold trends.

At the end of 2020, the Company's total land holdings consisted of 108 projects comprised of 7,117 mineral titles covering an aggregate of 1,014,984 hectares. The Company's land holdings in Canada consisted of 78 projects comprised of 4,397 mineral titles covering an aggregate of 613,729 hectares (of this total in Canada, six projects comprised of 304 mineral titles covering an aggregate of 12,568 hectares are held as a 50% interest with Yamana, including the Canadian Malartic mine). Land holdings in the United States consisted of five properties comprised of 2,371 mineral titles covering an aggregate of 34,389 hectares. Land holdings in Finland consisted of three groups of properties comprised of 75 mineral titles covering an aggregate of 26,000 hectares. Land holdings in Sweden consisted of two projects comprised of 35 mineral titles covering an aggregate of 54,083 hectares (held as a 55% interest with Barsele Minerals Corp.). Land holdings in Mexico consisted of 20 projects comprised of 239 mining concession titles covering an aggregate of 286,783 hectares. The Company is also earning an interest in Orosur Mining Inc.'s Anza project in Colombia (seven mineral titles covering an aggregate of 10,615 hectares) as part of a joint venture agreement with Newmont Corporation.

The total amount of expenditures incurred on regional exploration activities at the Company's exploration properties plus head office overhead, project evaluation and corporate development activities in 2020 was $123 million. This included drilling 642 holes for an aggregate of approximately 164 kilometres on 100% owned properties. It also included the Company's 50% portion of the cost of drilling 154 holes for an aggregate of approximately 130 kilometres on CMC exploration properties.

The budget in 2021 for expenditures on regional exploration activities at the Company's exploration properties plus head office overhead, project evaluation and corporate development activities is approximately $162.6 million, including approximately 331.9 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 2021 exploration budget, see the Company's news release dated February 11, 2021.

Scientific and Technical Information

The scientific and technical information set out in this AIF has been approved by the following "qualified persons" as defined by NI 43-101: mineral reserves and mineral resources for all properties other than the Canadian Malartic mine – Dyane Duquette, P.Geo., Corporate Director, Reserves Development; mineral reserves and mineral resources at the Canadian Malartic mine and other Partnership projects, such as the Odyssey project – Sylvie Lampron, Eng., Senior Project Mine Engineer at CMC (for engineering) and Pascal Lehouiller, P.Geo., Senior Resource Geologist at CMC (for geology); exploration – Guy Gosselin, Eng., P.Geo., Senior Vice-President, Exploration; environmental – Carol Plummer, Eng. Senior Vice-President, Sustainability, People & Culture; mining operations, Southern Business – Marc Legault, Eng., Senior Vice-President, Operations – U.S.A., Mexico & Latin America; metallurgy – Paul Cousin, Eng., Vice-President, Operational Sustainability; mining operations, Kittila mine – Francis Brunet, P.Eng., Corporate Director Business Strategy; mining operations, Nunavut mines – Dominique Girard, Eng., Senior Vice-President, Operations – Canada and Europe; and mining operations, Quebec mines – Daniel Paré, P.Eng., Vice-President Operations – Eastern Canada.

Mineral Reserves and Mineral Resources

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

The assumptions used for the 2020 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**
Operations and projects	$ 1,250	$ 17	$ 2.75	$ 1.00	$ 1.30	MXP18.00	EUR1.15
Hammond Reef	$ 1,350	Not applicable	Not applicable	Not applicable	$ 1.30	Not applicable	Not applicable
Upper Beaver	$ 1,200	Not applicable	$ 2.75	Not applicable	$ 1.25	Not applicable	Not applicable

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

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

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

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

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

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

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

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

Set out below are the mineral reserve and mineral resource estimates as of December 31, 2020, as estimated in accordance with NI 43-101 (tonnages and contained gold quantities are rounded to the nearest thousand):

Agnico Eagle Mines Ltd

MINERAL RESERVES
As of December 31, 2020

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%	4,338	5.11	712	10,828	6.53	2,272	15,166	6.12	2,984
LaRonde Zone 5	Underground	100%	5,155	2.09	346	6,601	2.08	442	11,756	2.08	788
LaRonde Complex Total			**9,493**	**3.47**	**1,058**	**17,429**	**4.84**	**2,713**	**26,922**	**4.36**	**3,772**
Canadian Malartic	Open Pit	50%	25,370	0.85	696	36,068	1.31	1,518	61,438	1.12	2,214
Goldex	Underground	100%	942	2.45	74	21,179	1.53	1,040	22,121	1.57	1,115
Akasaba West	Open Pit	100%	-		-	5,413	0.85	147	5,413	0.85	147
Amaruq	Open Pit	100%	950	2.06	63	18,920	3.72	2,261	19,870	3.64	2,324
Amaruq	Underground	100%	-		-	3,316	5.29	564	3,316	5.29	564
Amaruq Total			**950**	**2.06**	**63**	**22,236**	**3.95**	**2,825**	**23,186**	**3.87**	**2,888**
Meadowbank	Open Pit	100%	34	2.34	3	-		-	34	2.34	3
Meadowbank Complex Total			**983**	**2.07**	**65**	**22,236**	**3.95**	**2,825**	**23,220**	**3.87**	**2,891**
Meliadine	Open Pit	100%	181	4.10	24	5,460	4.70	826	5,640	4.68	850
Meliadine	Underground	100%	1,288	7.28	301	14,342	6.23	2,874	15,629	6.32	3,175
Meliadine Total			**1,468**	**6.89**	**325**	**19,801**	**5.81**	**3,700**	**21,270**	**5.89**	**4,025**
Upper Beaver	Underground	100%	-		-	7,992	5.43	1,395	7,992	5.43	1,395
Hammond Reef	Open Pit	100%	-		-	123,473	0.84	3,323	123,473	0.84	3,323
Kittila	Underground	100%	2,999	4.23	408	27,434	4.15	3,659	30,433	4.16	4,067
Pinos Altos	Open Pit	100%	62	0.88	2	3,605	1.26	146	3,667	1.25	148
Pinos Altos	Underground	100%	2,691	2.21	191	7,105	2.36	539	9,796	2.32	731
Pinos Altos Total			**2,753**	**2.18**	**193**	**10,710**	**1.99**	**685**	**13,463**	**2.03**	**878**
La India	Open Pit	100%	89	0.35	1	11,939	0.66	255	12,029	0.66	256
Total			***44,098***	***1.99***	***2,821***	***303,675***	***2.18***	***21,261***	***347,773***	***2.15***	***24,082***
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%	4,338	15.59	2,173	10,828	18.81	6,548	15,166	17.89	8,722
Pinos Altos	Open Pit	100%	62	13.24	27	3,605	33.68	3,904	3,667	33.34	3,931
Pinos Altos	Underground	100%	2,691	54.31	4,698	7,105	49.28	11,257	9,796	50.66	15,956
Pinos Altos Total			**2,753**	**53.38**	**4,725**	**10,710**	**44.03**	**15,162**	**13,463**	**45.94**	**19,886**
La India	Open Pit	100%	89	1.38	4	11,939	3.01	1,155	12,029	3.00	1,159
Total			***7,180***	***29.90***	***6,902***	***33,478***	***21.24***	***22,865***	***40,658***	***22.77***	***29,767***
COPPER	**Mining Method**	**Ownership**	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu
LaRonde	Underground	100%	4,338	0.21	9,291	10,828	0.28	29,826	15,166	0.26	39,117
Akasaba West	Open Pit	100%	-		-	5,413	0.48	25,891	5,413	0.48	25,891
Upper Beaver	Underground	100%	-		-	7,992	0.25	19,980	7,992	0.25	19,980
Total			***4,338***	***0.21***	***9,291***	***24,233***	***0.31***	***75,696***	***28,571***	***0.30***	***84,987***
ZINC	**Mining Method**	**Ownership**	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn
LaRonde	Underground	100%	4,338	0.53	22,894	10,828	0.85	92,560	15,166	0.76	115,454
Total			***4,338***	***0.53***	***22,894***	***10,828***	***0.85***	***92,560***	***15,166***	***0.76***	***115,454***

MINERAL RESOURCES
As of December 31, 2020

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%	-		-	4,904	3.55	560	4,904	3.55	560	6,369	4.54	931
LaRonde Zone 5	Underground	100%	-		-	12,218	1.98	776	12,218	1.98	776	15,130	2.88	1,399
LaRonde Complex Total			-		-	**17,122**	**2.43**	**1,336**	**17,122**	**2.43**	**1,336**	**21,499**	**3.37**	**2,330**
Canadian Malartic	Open Pit	50%	149	0.55	3	538	0.59	10	686	0.58	13	3,532	0.74	85
Canadian Malartic	Underground	50%	-		-	2,028	1.42	92	2,028	1.42	92	156	1.52	8
Canadian Malartic Total			**149**	**0.55**	**3**	**2,566**	**1.24**	**103**	**2,715**	**1.21**	**105**	**3,688**	**0.78**	**92**
Odyssey	Underground	50%	-		-	1,000	1.90	61	1,000	1.90	61	13,853	2.05	913
East Malartic	Underground	50%	-		-	5,658	2.03	368	5,658	2.03	368	43,444	1.91	2,669
East Gouldie	Underground	50%	-		-	-		-	-		-	31,469	3.17	3,209
Goldex	Underground	100%	12,360	1.86	739	19,247	1.53	944	31,607	1.66	1,683	24,812	1.49	1,191
Akasaba West	Open Pit	100%	-		-	4,870	0.63	98	4,870	0.63	98	-		-
Zulapa	Open Pit	100%	-		-	-		-	-		-	391	3.14	39
Meadowbank	Open Pit	100%	-		-	1,145	2.46	90	1,145	2.46	90	4	2.06	0
Amaruq	Open Pit	100%	-		-	7,022	2.53	570	7,022	2.53	570	886	2.65	75
Amaruq	Underground	100%	-		-	6,571	4.28	904	6,571	4.28	904	7,924	4.70	1,198
Amaruq Total			-		-	**13,593**	**3.37**	**1,474**	**13,593**	**3.37**	**1,474**	**8,810**	**4.50**	**1,273**
Meadowbank Complex Total			-		-	**14,738**	**3.30**	**1,564**	**14,738**	**3.30**	**1,564**	**8,814**	**4.49**	**1,274**
Meliadine	Open Pit	100%	-		-	6,917	3.00	668	6,917	3.00	668	816	4.23	111
Meliadine	Underground	100%	81	3.66	10	11,779	3.83	1,452	11,860	3.83	1,461	11,451	5.94	2,186
Meliadine Total			**81**	**3.66**	**10**	**18,697**	**3.53**	**2,120**	**18,777**	**3.53**	**2,129**	**12,267**	**5.82**	**2,297**
Hammond Reef	Open Pit	100%	47,063	0.54	819	86,304	0.53	1,478	133,367	0.54	2,298	-		-
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%	-		-	2,006	1.62	104	2,006	1.62	104	1,020	1.44	47
Upper Canada	Underground	100%	-		-	8,433	2.28	618	8,433	2.28	618	17,588	3.21	1,816
Upper Canada Total			-		-	**10,439**	**2.15**	**722**	**10,439**	**2.15**	**722**	**18,608**	**3.11**	**1,863**
Kittila	Open Pit	100%	-		-	229	3.41	25	229	3.41	25	373	3.89	47
Kittila	Underground	100%	4,748	2.44	372	17,999	2.51	1,452	22,747	2.49	1,824	11,620	3.77	1,408
Kittila Total			**4,748**	**2.44**	**372**	**18,228**	**2.52**	**1,477**	**22,976**	**2.50**	**1,849**	**11,993**	**3.77**	**1,454**
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%	-		-	1,734	0.81	45	1,734	0.81	45	468	1.18	18
Pinos Altos	Underground	100%	-		-	15,701	1.66	837	15,701	1.66	837	3,090	1.86	185
Pinos Altos Total			-		-	**17,436**	**1.57**	**882**	**17,436**	**1.57**	**882**	**3,558**	**1.77**	**203**
La India	Open Pit	100%	9,781	0.87	274	1,309	0.73	31	11,091	0.85	305	419	0.55	7
Tarachi	Open Pit	100%	-		-	22,665	0.40	294	22,665	0.40	294	6,476	0.33	68
Chipriona	Open Pit	100%	-		-	1,266	1.08	44	1,266	1.08	44	12,799	0.68	278
El Barqueño Gold	Open Pit	100%	-		-	8,834	1.16	331	8,834	1.16	331	9,628	1.13	351
Santa Gertrudis	Open Pit	100%	-		-	5,778	0.60	111	5,778	0.60	111	19,691	1.18	746
Santa Gertrudis	Underground	100%	-		-	-		-	-		-	7,980	3.43	879
Santa Gertrudis Total			-		-	**5,778**	**0.60**	**111**	**5,778**	**0.60**	**111**	**27,671**	**1.83**	**1,625**
Total			***74,182***	***0.93***	***2,216***	***267,264***	***1.53***	***13,130***	***341,446***	***1.40***	***15,346***	***282,965***	***2.57***	***23,351***

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%	-		-	4,904	21.39	3,372	4,904	21.39	3,372	6,369	23.98	4,911
Kylmäkangas	Underground	100%	-		-	-		-	-		-	1,896	31.11	1,896
Pinos Altos	Open Pit	100%	-		-	1,734	16.45	917	1,734	16.45	917	468	42.00	632
Pinos Altos	Underground	100%	-		-	15,701	44.18	22,303	15,701	44.18	22,303	3,090	50.41	5,008
Pinos Altos Total			-		-	**17,436**	**41.42**	**23,221**	**17,436**	**41.42**	**23,221**	**3,558**	**49.31**	**5,640**
La India	Open Pit	100%	9,781	5.37	1,690	1,309	4.04	170	11,091	5.22	1,860	419	3.09	42
Chipriona	Open Pit	100%	-		-	1,266	49.81	2,028	1,266	49.81	2,028	12,799	75.59	31,104
El Barqueño Silver	Open Pit	100%	-		-	-		-	-		-	4,393	124.06	17,523
El Barqueño Gold	Open Pit	100%	-		-	8,834	4.73	1,343	8,834	4.73	1,343	9,628	16.86	5,218
Santa Gertrudis	Open Pit	100%	-		-	5,778	4.39	816	5,778	4.39	816	19,691	1.90	1,200
Santa Gertrudis	Underground	100%	-		-	-		-	-		-	7,980	25.39	6,515
Santa Gertrudis Total			-		-	**5,778**	**4.39**	**816**	**5,778**	**4.39**	**816**	**27,670**	**8.67**	**7,715**
Total			***9,781***	***5.37***	***1,690***	***39,528***	***24.35***	***30,950***	***49,309***	***20.59***	***32,640***	***66,733***	***34.51***	***74,050***

COPPER	Mining Method	Ownership	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu	000 tonnes	%	tonnes Cu
LaRonde	Underground	100%	-		-	4,904	0.13	6,371	4,904	0.13	6,371	6,369	0.27	17,352
Akasaba West	Open Pit	100%	-		-	4,870	0.37	18,246	4,870	0.37	18,246	-		-
Upper Beaver	Underground	100%	-		-	3,636	0.14	5,135	3,636	0.14	5,135	8,688	0.20	17,284
Chipriona	Open Pit	100%	-		-	1,266	0.03	404	1,266	0.03	404	12,799	0.13	16,670
El Barqueño Gold	Open Pit	100%	-		-	8,834	0.19	16,400	8,834	0.19	16,400	9,628	0.22	21,152
Total			-		-	***23,511***	***0.20***	***46,555***	***23,511***	***0.20***	***46,555***	***37,484***	***0.19***	***72,458***

ZINC	Mining Method	Ownership	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn	000 tonnes	%	tonnes Zn
LaRonde	Underground	100%	-		-	4,904	0.81	39,560	4,904	0.81	39,560	6,369	1.96	124,660
Chipriona	Open Pit	100%	-		-	1,266	1.31	16,569	1,266	1.31	16,569	12,799	0.81	103,906
Total			-		-	***6,171***	***0.91***	***56,129***	***6,171***	***0.91***	***56,129***	***19,168***	***1.19***	***228,566***

Agnico Eagle Mines Limited
Global Mineral Reserves and Resources Data

Category	As of December 31, 2019			As of December 31, 2020		
	Tonnes (000s)	Gold grade (g/t)	Contained Gold (000 oz)	Tonnes (000s)	Gold grade (g/t)	Contained Gold (000 oz)
Mineral Reserves						
Proven	38,361	1.91	2,357	44,098	1.99	2,821
Probable	198,569	3.01	19,227	303,675	2.18	21,261
Total Proven & Probable	**236,930**	**2.83**	**21,585**	**347,773**	**2.15**	**24,082**
Mineral Resources						
Measured	193,848	0.80	5,010	74,182	0.93	2,216
Indicated	231,491	1.75	13,045	267,264	1.53	13,130
Total Measured & Indicated	**425,340**	**1.32**	**18,055**	**341,446**	**1.40**	**15,346**
Inferred	249,869	2.67	21,480	282,965	2.57	23,351

NOTES: Mineral reserves are not a subset of mineral resources. Tonnage amounts and contained metal amounts presented in this table have been rounded to the nearest thousand, so aggregate amounts may differ from column totals. Mineral reserves are in-situ, taking into account all mining recoveries, before mill or heap leach recoveries. Please refer to the Company news release dated February 11, 2021 and the Company's Annual Information Form for the year ended December 31, 2020, for further details on mineral reserves and mineral resources.

In the tables above setting out mineral reserve information about the Company's mineral projects, and elsewhere in this AIF, the total contained gold ounces stated do not include equivalent gold ounces for by-product metals contained in the mineral reserve. Mineral reserves are not reported as a subset of mineral resources. Tonnage amounts and contained metal amounts in these tables have been rounded to the nearest thousand, so aggregate amounts may differ from column totals. The amounts reported are the Company's percentage interest in the properties as at December 31, 2020. 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 estimates 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

Northern Business

LaRonde Mine at the LaRonde Complex Mineral Reserves and Mineral Resources

	As at December 31,		
	2020	**2019**	**2018**
Gold			
Proven mineral reserves – tonnes	4,338,000	4,802,000	4,817,000
Average grade – gold grams per tonne	5.11	5.05	4.87
Probable mineral reserves – tonnes	10,828,000	10,117,000	11,561,000
Average grade – gold grams per tonne	6.53	6.48	6.26
Total proven and probable mineral reserves – tonnes	**15,166,000**	**14,920,000**	**16,378,000**
Average grade – gold grams per tonne	**6.12**	**6.02**	**5.85**
Total contained gold ounces	**2,984,000**	**2,888,000**	**3,081,000**

Notes:

(1) The 2020 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$127 to C$153 per tonne. There are no mineral reserves from open pit deposits. The 2020 proven and probable mineral reserves set out in the table above were estimated using assumed metallurgical recoveries of 95.22% for gold, 75.35% for silver, 68.99% for zinc and 77.80% for copper. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 1.1% increase or 1.5% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2020, the LaRonde mine contained indicated mineral resources of 4,904,000 tonnes grading 3.55 g/t gold, 21.39 g/t silver, 0.13% copper and 0.81% zinc and inferred mineral resources of 6,369,000 tonnes grading 4.54 g/t gold, 23.98 g/t silver, 0.27% copper and 1.96% 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, 2020 with those at December 31, 2019. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2020.

	Proven	**Probable**	**Total**
December 31, 2019	4,802	10,117	14,920
Processed in 2020	(1,706)	–	(1,706)
Revision	1,242	711	1,953
December 31, 2020	**4,338**	**10,828**	**15,166**

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

LaRonde Zone 5 Mine at the LaRonde Complex Mineral Reserves and Mineral Resources

	As at December 31,		
	2020	**2019**	**2018**
Gold			
Proven mineral reserves – tonnes	5,155,000	3,307,000	4,053,000
Average grade – gold grams per tonne	2.09	2.13	2.03
Probable mineral reserves – tonnes	6,601,000	5,980,000	5,377,000
Average grade – gold grams per tonne	2.08	2.39	2.41
Total proven and probable mineral reserves – tonnes	**11,756,000**	**9,287,000**	**9,430,000**
Average grade – gold grams per tonne	**2.08**	**2.30**	**2.25**
Total contained gold ounces	**788,000**	**686,000**	**681,000**

Notes:

(1) The 2020 proven and probable mineral reserve estimates set out in the table above are based on a cut-off grade from 1.36 to 1.72 g/t gold. There are no mineral reserves at open pit deposits. The 2020 proven and probable mineral reserves set out in the table above were estimated using assumed metallurgical recovery of 94.8% for gold. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 8.1% increase or 10.7% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2020, the LaRonde Zone 5 mine contained indicated mineral resources of 12,218,000 tonnes grading 1.98 g/t gold and inferred mineral resources of 15,130,000 tonnes grading 2.88 g/t gold. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the LaRonde Zone 5 mine by category at December 31, 2020 with those at December 31, 2019. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2020.

	Proven	**Probable**	**Total**
December 31, 2019	3,307	5,980	9,287
Processed in 2020	(968)	–	(968)
Revision	2,816	621	3,437
December 31, 2020	**5,155**	**6,601**	**11,756**

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

	As at December 31,		
	2020	**2019**	**2018**
Gold			
Proven mineral reserves – tonnes	25,370,000	23,847,000	23,029,000
Average grade – gold grams per tonne	0.85	0.83	0.89
Probable mineral reserves – tonnes	36,068,000	43,057,000	55,799,000
Average grade – gold grams per tonne	1.31	1.27	1.18
Total proven and probable mineral reserves – tonnes	**61,438,000**	**66,904,000**	**78,828,000**
Average grade – gold grams per tonne	**1.12**	**1.11**	**1.10**
Total contained gold ounces	**2,121,000**	**2,389,000**	**2,780,000**

Notes:

(1) The Canadian Malartic property is owned by the Partnership, in which the Company holds, directly and indirectly, a 50% interest, with the remaining 50% interest held directly and indirectly by Yamana. The 2020 proven and probable mineral reserves set out in the table above were estimated using an assumed metallurgical gold recovery of between 88% and 97% and a cut off grade from 0.39 to 0.40 g/t gold, depending on the deposit. There are no mineral reserves in underground deposits at December 31, 2020. The operating cost per tonne estimate for the Canadian Malartic mine as of December 31, 2020 was C$19.45 per tonne for Canadian Malartic and the Barnat deposit. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 8.8% increase or 9.6% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2020, the Canadian Malartic property (Agnico Eagle's 50% interest) contained measured open-pit mineral resources of 149,000 tonnes grading 0.55 g/t gold, indicated mineral resources of 538,000 tonnes grading 0.59 g/t gold and inferred mineral resources of 3,532,000 tonnes grading 0.74 g/t gold. It also contained indicated underground mineral resources of 2,028,000 tonnes grading 1.42 g/t gold and inferred underground mineral resources of 156,000 tonnes grading 1.52 g/t gold. The Odyssey Deposit (Agnico Eagle's 50% interest), located near the Canadian Malartic mine, contained underground indicated mineral resources of 1,000,000 tonnes grading 1.90 g/t gold and underground inferred mineral resources of 13,853,000 tonnes grading 2.05 g/t gold. The East Malartic Deposit (Agnico Eagle's 50% interest), located near the Canadian Malartic mine, contained underground indicated mineral resources of 5,658,000 tonnes grading 2.03 g/t gold and underground inferred mineral resources of 43,444,000 tonnes grading 1.91 g/t gold. The East Gouldie Deposit (Agnico Eagle's 50% interest), located near the Canadian Malartic mine, contained underground inferred mineral resources of 31,469,000 tonnes grading 3.17 g/t gold. Gold cut off grades used for mineral resource estimates for Canadian Malartic, Odyssey, East Malartic and East Gouldie were fixed at 75% of the applicable mineral reserve cut off grade. Canadian Malartic open-pit resources cut-off grades vary from 0.29 g/t gold to 0.40 g/t gold depending on depth and location. Canadian Malartic underground resources cut-off grades vary from 1.00 g/t gold to 1.40 g/t gold depending on location. Odyssey mineral resources cut off grades vary from 1.0 g/t gold to 1.30 g/t gold depending on depth from surface. East Malartic mineral resources cut off grades vary from 1.10 g/t gold to 1.40 g/t gold depending on depth from surface and a cut off grade of 1.20 g/t gold was used for mineral resources below the open pit of Canadian Malartic. East Gouldie mineral resources cut off grades vary from 1.10 g/t gold to 1.25 g/t gold depending on depth from surface.

(3) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Canadian Malartic mine by category at December 31, 2020 with those at December 31, 2019, stating Agnico Eagle's 50% interest. Revision indicates additional mineral reserves converted from mineral resources during 2020.

	Proven	**Probable**	**Total**
December 31, 2019	23,847	43,057	66,904
Processed in 2020	(10,400)	–	(10,400)
Revision	11,923	(6,989)	4,934
December 31, 2020	**25,370**	**36,068**	**61,438**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, expected payback period of capital, parameters and methods and other factors that may materially affect scientific and technical information in this AIF relating to the Canadian Malartic mine may be found in the Technical Report on the Mineral Resource and Mineral Reserve Estimates for the Canadian Malartic Property with an effective date of December 31, 2020, filed with Canadian securities regulatory authorities on SEDAR on March 25, 2021, authored by Pascal Lehouiller, P.Geo., Sylvie Lampron, P.Eng., Guy Gagnon, P.Eng., Nicole Houle, P.Geo. and Francois Bouchard, P.Geo.

Kittila Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2020	**2019**	**2018**
Gold			
Proven mineral reserves – tonnes	2,999,000	1,444,000	491,000
Average grade – gold grams per tonne	4.23	4.55	4.12
Probable mineral reserves – tonnes	27,434,000	27,481,000	30,040,000
Average grade – gold grams per tonne	4.15	4.40	4.50
Total proven and probable mineral reserves – tonnes	**30,433,000**	**28,925,000**	**30,531,000**
Average grade – gold grams per tonne	**4.16**	**4.40**	**4.50**
Total contained gold ounces	**4,067,000**	**4,096,000**	**4,414,000**

Notes:

(1) The 2020 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 2.46 and 2.64 g/t gold, diluted, depending on depth, for underground mineral reserves. There are no mineral reserves from open pit operations at December 31, 2020. Underground operating cost was estimated between €72.23 and €77.48 per tonne at December 31, 2020. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 7.7% increase or 5.1% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2020, the Kittila mine contained measured mineral resources of 4,748,000 tonnes grading 2.44 g/t gold, indicated mineral resources of 18,228,000 tonnes grading 2.52 g/t gold and inferred mineral resources of 11,993,000 tonnes grading 3.77 g/t gold. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (in nearest thousand tonnes) at the Kittila mine by category at December 31, 2020 with those at December 31, 2019. Revision indicates additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2020.

	Proven	**Probable**	**Total**
December 31, 2019	1,444	27,481	28,925
Processed in 2020	(1,702)	–	(1,702)
Revision	3,257	(47)	3,210
December 31, 2020	**2,999**	**27,434**	**30,433**

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

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

	As at December 31,		
	2020	**2019**	**2018**
Gold			
Proven mineral reserves – tonnes	983,000	209,000	1,230,000
Average grade – gold grams per tonne	2.07	1.90	1.68
Probable mineral reserves – tonnes	22,236,000	25,903,000	25,315,000
Average grade – gold grams per tonne	3.95	3.97	3.58
Total proven and probable mineral reserves – tonnes	**23,220,000**	**26,112,000**	**26,546,000**
Average grade – gold grams per tonne	**3.87**	**3.96**	**3.49**
Total contained gold ounces	**2,891,000**	**3,320,000**	**2,979,000**

Notes:

(1) The 2020 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 92.38% to 95%, depending on the deposit and grade. The cut-off grade used for open pit mineral reserves varied from 1.21 to 2.147 g/t gold, depending on the deposit and whether it is incremental ore or full cost ore. The operating costs used for the open pit mineral reserve estimate as of December 31, 2020 is C$104.15 per full cost tonne and C$62.57 per incremental tonne, including an additional haulage cost of C$14.77 per tonne for the Amaruq satellite deposit mineral reserves. The cut-off grade used for underground mineral reserves at Amaruq varied from 3.33 to 3.36 g/t gold, depending on the deposit. The operating costs used for the Amaruq underground mineral reserve estimate as of December 31, 2020 varied from C$155.44 to C$161.29 per tonne, depending on the deposit. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 4.7% increase or 4.1% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2020, the Meadowbank Complex contained indicated mineral resources of 14,738,000 tonnes grading 3.3 g/t gold and inferred mineral resources of 8,814,000 tonnes grading 4.49 g/t gold. Gold cut off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Meadowbank Complex by category at December 31, 2020 with those at December 31, 2019. 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 2020.

	Proven	**Probable**	**Total**
December 31, 2019	209	25,903	26,112
Processed in 2020	(2,603)	–	(2,603)
Revision	3,377	(3,667)	(290)
December 31, 2020	**983**	**22,236**	**23,220**

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

Meliadine Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2020	**2019**	**2018**
Gold			
Proven mineral reserves – tonnes	1,468,000	866,000	150,000
Average grade – gold grams per tonne	6.89	7.14	5.67
Probable mineral reserves – tonnes	19,801,000	19,883,000	16,585,000
Average grade – gold grams per tonne	5.81	6.05	6.99
Total proven and probable mineral reserves – tonnes	**21,270,000**	**20,749,000**	**16,736,000**
Average grade – gold grams per tonne	**5.89**	**6.10**	**6.97**
Total contained gold ounces	**4,025,000**	**4,067,000**	**3,753,000**

Notes:

(1) The 2020 proven and probable mineral reserves set out in the table above were estimated using a metallurgical gold recovery ranging from 86.6% to 96.5% depending on the deposit and grade. The cut-off grades used for open pit mineral reserves varied from 1.69 to 2.07 g/t gold diluted depending on deposit and grade. The cut-off grades used for underground mineral reserves varied from 1.69 to 4.26 g/t gold diluted. The operating costs used for the open-pit mineral reserves estimates as of December 31, 2020 ranged from C$91.33 to C$99.77 per tonne, depending on the deposit and the grade. The operating costs used for the underground mineral reserves estimates as of December 31, 2020 ranged from C$84.03 to C$205.26 per tonne depending on the deposit, grade and location. The Company estimates that a $125 (10%) increase or decrease in the gold price assumption would result in an approximate 6.5% increase or 7.7% decrease, respectively, in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2020, the Meliadine mine contained measured mineral resources of 81,000 tonnes grading 3.66 g/t gold, indicated mineral resources of 18,697,000 tonnes grading 3.53 g/t gold and inferred mineral resources of 12,267,000 tonnes grading 5.82 g/t gold. Gold cut-off grades used for mineral resource estimates were fixed at 75% of the applicable mineral reserve cut-off grade.

(3) The following table sets out the reconciliation of mineral reserves (rounded to the nearest thousand tonnes) at the Meadowbank Complex by category at December 31, 2020 with those at December 31, 2019. 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 2020.

	Proven	**Probable**	**Total**
December 31, 2019	866	19,883	20,749
Processed in 2020	(1,395)	–	(1,395)
Revision	1,997	(82)	1,915
December 31, 2020	**1,468**	**19,801**	**21,270**

(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, 2020 is:

Category	**Mining Method**	**Tonnes**	**Gold Grade (g/t)**	**Contained Gold (oz)**
Proven mineral reserves	Open pit	181	4.10	24
Proven mineral reserves	Underground	1,288	7.28	301
Probable mineral reserves	Open pit	5,460	4.70	826
Probable mineral reserves	Underground	14,342	6.23	2,874
Total proven and probable mineral reserves		**21,270**	**5.89**	**4,025**

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

Principal Products and Distribution

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

Employees

As of December 31, 2020, the Company had 11,421 employees comprised of 6,210 permanent employees, 4,872 contractors, 272 temporary employees and 67 students (including 100% of the Partnership's employees). Of the permanent employees, 959 were employed at the LaRonde Complex, 420 at the Goldex mine, 829 at the Canadian Malartic mine (including 7 in the Canadian Malartic office), 456 at the Kittila mine (with an additional 8 at the Finnish exploration group), 831 at the Meadowbank Complex (including 2 at the Baker Lake office and 43 in Quebec), 659 at the Meliadine mine (including 2 at the Rankin Inlet office and 38 in Quebec), 1,044 at the Pinos Altos mine (with an additional 36 at Exploration Mexico, 3 at Projects Operation Mexico and 8 at Regional Mexico), 110 at the Creston Mascota deposit at Pinos Altos, 408 at the La India mine, 57 in the exploration group in Mexico, 49 in the exploration group in Canada and the United States (including the Kirkland Lake and Hammond Reef properties), 166 at the regional technical office in Abitibi, 10 at the regional office in Sweden and 157 at the corporate head office in Toronto. The number of permanent employees of the Company at the end of 2020, 2019 and 2018 was 6,210, 6,193 and 5,990, 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 2020, 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 for 'maintaining high standards in sustainability', to exploration and acquisition activities, day to day operations and site closure. The formal integration of this process began in 2012 with the adoption of an integrated Health, Safety, Environment and Social Acceptability Policy (the "Sustainable Development Policy") that reflects the Company's commitment to responsible mining practices. This policy was updated in 2019 with enhanced commitments to the protection of human rights and a greater emphasis on risk management. The Company believes that the Sustainable Development Policy will lead to the achievement of more sustainable practices through oversight and accountability.

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

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

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

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

In 2017, the Company adopted the Voluntary Principles on Security and Human Rights (the "VP"), 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 VP was performed at La India mine in 2018 and the Pinos Altos mine in 2019. In 2021 the Company intends to complete integrated audits at all operations that will satisfy the audit requirements of RMMS, TSM, RGMP and VP.

In 2018, the Company adopted an Indigenous Engagement Policy and a Diversity and Inclusion Policy and in 2019, a Diversity Advisory Council was established. An internal review was completed at each site to identify best practices as well as any obstacles or barriers to the successful implementation of these policies. In 2020, renewed focus was placed on Diversity and Inclusion initiatives and an action plan implemented.

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*. The information on these websites does not form part of this AIF.

Employee Health and Safety

In 2020, a combined lost-time and restricted work accident frequency rate (excluding the Canadian Malartic mine) of 1.02 was achieved, a slight increase from the 2019 rate of 0.98, but below the target rate of 1.05. Extensive health and safety training continued to be provided to employees during 2020. The Canadian Malartic mine's combined accident frequency rate in 2020 was 0.71, a decrease from the 2019 rate of 1.20 and below the target rate of 1.00.

2020 was marked by the COVID-19 pandemic. From the early days of the outbreak of the pandemic, the Company implemented extraordinary measures with a constant focus on protecting the health and safety of its employees, on protecting and supporting the communities in which it operates and on protecting its operations. Throughout the year, the Company continually enhanced its safety protocols, maximized teleworking where possible and increased its testing capacity. By year end, five testing facilities were in place to support the Canadian operations and one testing facility, funded by the Company, was available to the Kittila operation as well as to all the residents of Kittila municipality. In Mexico, the local teams provided resources to local health centres and hired additional doctors to help in the communities. Work continued at the end of 2020 to continue to fight the spread of COVID-19 in all the Company's operating regions.

One of the measures implemented by the Company systematically across all operations and exploration properties to improve safety performance is the workplace safety card system. Developed by the Quebec Mining Association (the "AMQ"), the safety work card system guides workers and supervisors in using risk-based thinking in their duties. Workers and supervisors 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, the nature of risks or issues and other relevant information. In addition, it improves efficiency and safety by facilitating the exchange and analysis of relevant information between shifts as well as with the various technical support services.

In 2020, the AMQ acknowledged the Company's strong performance in the area of health and safety, recognizing 50 of the Company's (and partnership's) supervisors from the LaRonde, Goldex and Canadian Malartic mines for keeping their workers safe. The supervisors received AMQ security awards for between 50,000 and 450,000 hours supervised without a lost-time accident. Additionally, Goldex and Canadian Malartic were honoured with F.J. O'Connell awards for excellence in health and safety performance during the previous year.

In 2020, the National Mining Association of Mexico awarded the La India mine the Jorge Rangel Zamorano – Silver Helmet award as the safest mine in Mexico in the open pit category (500 employees) for the third year in a row.

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

Community

The Company's goal, at each of its operations worldwide, is to hire as much of its workforce as possible, including management teams, directly from the local region in which the operation is located. In 2020, the overall Company average for local hiring was 69% (including Canadian Malartic). 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 2020, the Company continued its dialogue with First Nations in the Abitibi region and with First Nations around the Kirkland Lake project.

The Company has adopted a reconciliation action plan consistent with the call for action No. 92 of the *Truth and Reconciliation Commission of Canada: Calls to Action*, the first step of which was to give training on First Nations matters to the Company's senior management, and which was completed in 2018. In 2020, the Company continued to make progress with this call to action by engaging in discussions with the First Nations communities in the regions of our mines and projects in Nunavut, Quebec and Ontario.

The Canadian Malartic mine continued its contribution to the Malartic 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. As with the Good Neighbour Guide and other community relations efforts at Canadian Malartic, the Partnership is working collaboratively with stakeholders to establish cooperative relationships that support the long-term potential of the mine. In 2020, a collaboration agreement was signed with the Abitibiwinni, Lac Simon, Long Point and Kitcisakik Anishinabeg First Nations aimed at the

sustainable development of these four First Nations and their increased participation in the mine's activities and projects.

"Good Neighbour Guides" were implemented at the LaRonde and Goldex mines in 2020 and the Company continues to support a number of community health and educational initiatives in the region surrounding the Pinos Altos and La India mines.

The COVID-19 pandemic impacted the communities surrounding the Company's operations as much as if not more than the mines themselves. In March, the Company made the decision to send our Nunavummiut employees home in order to comply with health guidelines issued by the Government of Nunavut and protect the communities by isolating the mines. In mid-year, the "Good Deeds Brigade" was established where our Nunavummiut employees could earn 100% of their base salary by volunteering at community based initiatives. At year-end, the Company continued to pay 75% of the base salaries to these employees who remain at home and 100% to those volunteering in the Good Deeds Brigade.

In 2020, COVID-19 impacted Mexico more than any other region where the Company operates. The Company engaged additional doctors at our Pinos Altos and La India mines. In addition to these doctors, the Company provided health supplies to local health clinics, donated food and supplies to households in need and continued with community engagement work.

In Quebec and Finland, the Company made numerous donations in an effort to support distressed local businesses and individuals impacted by the pandemic and the Company supports a COVID-19 testing facility near its Kittila mine.

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 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.

In 2020, the Company received two warning letters from Environment and Climate Change Canada in relation to total suspended solids non-compliances at Meliadine and Meadowbank and the Partnership received two non compliance notices for NOx emissions. The Company's teams 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, 2020 was estimated to be $606 million (including the Company's 50% share of the Canadian Malartic reclamation costs). 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*.

IT Systems

The Company relies 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. See "Risk Factors – The Company is dependent on information technology systems."

The Company has instituted protocols to monitor and run vulnerability scanning on a daily basis that provides information on security risks which can then be addressed by the Company's cybersecurity team. The Company's protocols include documented Industrial Cybersecurity Standards for Operational Technology based on ISA/IEC

62443 standards and the use of security technologies to isolate, monitor and control access to operational systems. In addition, the Company partners with Public Safety Canada and other gold mining companies to identify and understand risks specific to the mining industry. In addition, the Company has implemented an employee cyber security awareness program that is used throughout the Company.

The Company's management periodically reports to the Board, on at least an annual basis, with respect to the Corporation's cybersecurity status and statistics. In addition, the Company periodically performs audits of its IT systems by external information technology experts. For example, in 2018 the Company completed a third party audit of the Company's "operational technology" systems.

The Company maintains an information security risk insurance policy. The Company has not experienced an information security breach in the last three years.

RISK FACTORS

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

The Company is subject to risks related to pandemics and other health emergencies, as well as the economic impacts that result therefrom.

The Company is subject to risks related to pandemics and other health emergencies, which could significantly disrupt its operations and could have a material adverse effect on the Company's financial performance and results of operations. In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world, with resulting business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19 (which for purposes of this AIF, where applicable, includes any variants thereof), and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Further, the extent and manner to which COVID-19, and measures taken by governments, the Company or others to attempt to reduce the spread of COVID-19, may affect the Company cannot be predicted with certainty. COVID-19 and these measures could have an adverse impact on many aspects of the Company's business including, employee health, workforce productivity and availability, travel restrictions, contractor availability, supply availability, ability to sell or deliver gold dore bars or concentrate and the availability of insurance and the cost thereof, some of which, individually or when aggregated with other impacts, may be material to the Company. Measures taken by governments, the Company or others could result in the Company reducing or suspending operations at one or more of its mines. COVID-19 and associated responses could also have an adverse effect on the Company's ability to procure inputs required for the Company's operations and projects. The occurrence of one or more of these events or circumstances could have a material adverse effect on the Company's business and results of operations. For example, on March 23, 2020 the Quebec Order required non-essential businesses in Quebec be closed from March 25, 2020 to April 13, 2020. Accordingly, the Company suspended mining operations the LaRonde Complex, the Goldex mine and the Canadian Malartic mine. The Company also reduced activities at the Meliadine and Meadowbank mining operations in Nunavut, which are fly-in/fly-out mining operations serviced out of Mirabel and Val-d'Or, Quebec. As a result, among other things, of the Quebec Order, on March 24, 2020 the Company determined to withdraw its guidance for 2020 regarding expected production volumes and costs. On April 2, 2020, as a result of a decree by the Government of Mexico that all non-essential businesses suspend operations until April 30, 2020, the Company suspended mining operations at the Company's Pinos Altos mine, Creston Mascota mine and La India mine. As a result, in the second quarter of 2020, operations at seven of the Company's eight mines were suspended or reduced. The Company cannot provide any assurances that governments in the regions it operates will not implement measures that result in the suspension or reduction of mining operations at one or more of its mines.

The Company's Nunavut operations (including the Meadowbank Complex, Meliadine mine and Hope Bay mine) are located in remote areas and operate as fly-in/fly-out camps, meaning site employees and contractors are housed in on-site accommodations during the periods in which they are working. Because of the concentration of personnel working and living in a small area, risks associated with communicable diseases are higher at these sites. The Company may in the future, based on its assessment of relevant risks at the time, elect to reduce or suspend operations at these or other sites as a precautionary measure or as a result of or in response to government or community actions. Further, COVID-19, and measures taken to attempt to reduce the spread of COVID-19, may affect the Company's ability to ship the materials that the Company requires for its Nunavut operations during Nunavut's limited annual shipping season. If the Company is unable to acquire and transport necessary supplies during the limited shipping season it may result in a slowdown or stoppage of operations at these operations and may delay construction or expansion projects planned for the sites. See "– The Company may experience difficulties at its Nunavut operations as a result of their remote location". Any of these events or circumstances could have a material adverse effect on the Company's business and results of operations.

In addition, the actual or threatened spread of COVID-19 globally, and responses of governments and others to such actual or threatened spread, could also have a material adverse effect on the global economy, could negatively affect financial markets, including the price of gold and the trading price of the Company's shares, could adversely

affect the Company's ability to raise capital, and could cause interest rate volatility and movements that could make obtaining financing or refinancing debt obligations more challenging or more expensive. If the price of gold declines, the Company's revenues from its operations will also decline. See "– The Company's financial performance and results may fluctuate widely due to volatile and unpredictable commodity prices". Any of these developments, and others, could have a material adverse effect on the Company's business and results of operations.

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

The Company's earnings are directly related to commodity prices, as revenues are derived from the sale of gold, silver, zinc and copper. Gold prices, which have the greatest impact on the Company's financial performance, fluctuate widely and are affected by numerous factors, including, central bank purchases and sales, producer hedging and de-hedging activities, expectations of inflation, expectations of economic activity, 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, changes in supply and changing investor or consumer sentiment (including in connection with transition to a low-carbon economy, investor interest in cryptocurrencies and other investment alternatives and other factors), all of which are beyond the Company's control. The aggregate effect of these factors is impossible to predict with accuracy. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities or world events, including concerns relating to the spread of COVID-19. For example, from March 6, 2020 to March 16, 2020, the London P.M. Fix (as defined below) fell almost $200 per ounce, from $1,683.65 per ounce to $1,487.70 per ounce. Fluctuations in gold prices may materially adversely affect the Company's financial performance or results of operations. If the market price of gold falls below the Company's realized or anticipated all-in sustaining costs per ounce of production at one or more of its mines, projects or other properties and remains so for any sustained period, the Company may experience losses and/or may curtail or suspend some or all of its mining, exploration or development activities at such mines, projects or other property or at other mines or projects. In addition, such fluctuations may require changes to the mine plans. The Company's current mine plans and mineral reserve and mineral resource estimates are generally based on a gold price of $1,250 per ounce (see "Operations and Production – Mineral Reserves and Mineral Resources – Information on Mineral Reserves and Mineral Resources of the Company"). If the price of gold falls below such levels, the mines may be rendered uneconomic and production may be suspended. In addition, lower gold prices may require the mine plans to be changed, which may result in reduced production, higher costs than anticipated, or both, and estimates of mineral reserves and mineral resources may be reduced. Also, increased volatility in the price of gold may result in the Company delaying or abandoning some of its growth projects. Further, the prices received from the sale of the Company's by-product metals produced at its LaRonde mine (silver, zinc and copper) and its Pinos Altos, La India and Canadian Malartic mines (silver) affect the Company's ability to meet its targets for total cash costs per ounce or all-in sustaining costs per ounce of gold produced when such measures are calculated on a by-product basis. By-product metal prices fluctuate widely and are also affected by numerous factors beyond the Company's control. The Company's policy and practice is not to sell forward its future gold production; however, under the Company's Board-approved price risk management policy, the Company may review this practice on a project by project basis. See "Risk Profile – Commodity Prices and Foreign Currencies" and "Risk Profile – Financial Instruments" in the Annual MD&A for more details on the Company's use of derivative instruments. The Company occasionally uses derivative instruments to mitigate the effects of fluctuating by-product metal prices; however, these measures may not be successful.

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

	2021 (to March 22)	2020	2019	2018	2017	2016
High price ($ per ounce)	1,943	2,067	1,546	1,355	1,346	1,366
Low price ($ per ounce)	1,687	1,474	1,270	1,178	1,151	1,077
Average price ($ per ounce)	1,804	1,770	1,392	1,269	1,257	1,251

On March 22, 2021, the London P.M. Fix was $1,736 per ounce of gold.

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

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

The Company's operations at the LaRonde Complex and Canadian Malartic mine in Quebec, the Kittila mine in Finland and the Meliadine mine and Meadowbank Complex in Nunavut accounted for approximately 20%, 16%, 12%, 18% and 12%, respectively, of the Company's gold production in 2020 and are expected to account for a significant portion of the Company's gold production in the future. Also, in 2020 the LaRonde Complex, Canadian Malartic mine, Kittila mine, Meliadine mine and Meadowbank Complex accounted for approximately 26%, 17%, 12%, 19% and 5%, 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" and "– The Company is subject to risks related to pandemics and other outbreaks of communicable diseases, as well as the economic impacts that result therefrom").

Further, the Meliadine mine and the Meadowbank Complex are subject to risks associated with operating mining operations in a remote location (see "– The Company may experience difficulties at its Nunavut operations as a result of their remote location").

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

The Company may experience difficulties at its Nunavut operations as a result of their remote location.

The Meadowbank Complex is located in the Kivalliq District of Nunavut in northern Canada, approximately 70 kilometres north of Baker Lake and the Amaruq satellite deposit at Meadowbank is located 50 kilometres northwest of the Meadowbank minesite. The closest major city to the Meadowbank Complex is Winnipeg, Manitoba, approximately 1,500 kilometres to the south. The Company built a 110-kilometre all-weather road from Baker Lake to the Meadowbank minesite, which provides summer shipping access via Hudson Bay to the Meadowbank Complex and a 64-kilometre all-weather road between the Meadowbank minesite and the Amaruq satellite deposit. However, the Company's operations are constrained by the remoteness of the complex and the satellite operation, particularly as the port of Baker Lake is only accessible approximately ten weeks per year. Most of the materials that the Company requires for the operation of the Meadowbank Complex must be transported through the port of Baker Lake during this shipping season, which may be further truncated due to weather conditions. If the Company is unable to acquire and transport necessary supplies during this time, or if ore transportation from Amaruq to Meadowbank is negatively affected or is not as anticipated, it may result in a slowdown or stoppage of operations and/or cost increases at the Meadowbank Complex or the Amaruq satellite deposit. Furthermore, if major equipment fails, items necessary to replace or repair such equipment may have to be shipped through Baker Lake during this shipping window. Failure to have available the necessary materials required for operations or to repair or replace malfunctioning equipment may require the slowdown or stoppage of operations. For example, a March 2011 fire at the kitchen facilities of the Meadowbank mine required operations to be reduced at the mine, which resulted in gold production at the mine being below expected levels in 2011.

The Company's Meliadine mine, 290 kilometres southeast of the Meadowbank mine, is also located in the Kivalliq District of Nunavut, approximately 25 kilometres northwest of the hamlet of Rankin Inlet on the west coast of Hudson Bay. Most of the materials that the Company requires to operate the Meliadine mine must be transported through the port of Rankin Inlet during its approximately 14-week shipping season. If the Company is unable to acquire and

transport necessary supplies during this time it may result in a slowdown or stoppage of operations and/or cost increases at the Meliadine mine. Furthermore, if major equipment fails, items necessary to replace or repair such equipment may have to be shipped through Rankin Inlet during this window. Failure to have available the necessary materials required for operations or to repair or replace malfunctioning equipment may require the slowdown or stoppage of operations.

The Company's recently acquired Hope Bay mine is located in the Kitikmeot District of Nunavut in northern Canada, approximately 125 km southwest of Cambridge Bay and 685 km northeast of Yellowknife, Northwest Territories. Most of the materials that the Company requires to operate the Hope Bay mine must be transported during the ice-free period of August-September when ships and barges can access the site. If the Company is unable to acquire and transport necessary supplies during this time it may result in a slowdown or stoppage of operations and/or cost increases at the Hope Bay mine. Furthermore, if major equipment fails, items necessary to replace or repair such equipment may have to be shipped during this window. Failure to have available the necessary materials required for operations or to repair or replace malfunctioning equipment may require the slowdown or stoppage of operations.

The remoteness of the Nunavut operations also necessitates the use of fly-in/fly-out camps for the accommodation of site employees and contractors, which may have an impact on the Company's ability to attract and retain qualified mining, exploration and construction personnel. Further, the Company's Nunavut operations are subject to risks relating to the transportation of personnel to and from the sites. See "– The Company is subject to risks related to pandemics and other health emergencies, as well as the economic impacts that result therefrom." If the Company is unable to attract and retain sufficient personnel or contractors on a timely basis, the Company's Nunavut operations may be adversely affected.

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

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

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

While the Company has met or exceeded its gold production forecasts since 2012, it failed to do so from 2008 to 2011, primarily due to: delays in the commissioning of the Goldex production hoist and the Kittila autoclave in 2008; autoclave issues at Kittila, filtering issues at Pinos Altos and dilution issues at Lapa in 2009; lower throughput at the Meadowbank mill due to a bottleneck in the crushing circuit and continued autoclave issues at the Kittila mine in the first half of the year in 2010; and suspension of mining operations at the Goldex mine due to geotechnical concerns with the rock above the mining horizon, a fire in the Meadowbank mine kitchen complex that negatively affected production and lower than expected grades at the Meadowbank and LaRonde mines in 2011. In addition, in 2020, the Company withdrew its full year 2020 production and cash costs guidance released on February 13, 2020 (the "Original Guidance") due to uncertainty related to the COVID-19 pandemic. While the Company released updated 2020 production and cash costs guidance on April 30, 2020, and ultimately exceeded this updated guidance, the updated gold production forecast and actual 2020 gold production was lower than the Original Guidance.

Despite meeting or exceeding production forecasts since 2012, gold production was negatively affected by: the temporary suspension of heap leach operations at the Creston Mascota deposit at Pinos Altos as a result of issues with the phase one leach pad liner in 2012; an extended maintenance shutdown at Kittila during the second quarter of 2013, during which the mine only operated for 14 days in the quarter, and a 16-day unplanned shutdown related to the LaRonde hoist drive in 2013; ten days of downtime resulting from a production hoist drive failure at LaRonde in 2014; lower than expected grades at Kittila and a decision during the year to extend the Vault pit at Meadowbank resulting in lower than expected production in 2015; an unscheduled shutdown of the secondary crushing circuit for maintenance at Meadowbank and unplanned maintenance on the leach tank, ball mill and crusher components in the process plant at Canadian Malartic in 2016; an unplanned temporary hoist and mill shutdown at Goldex in 2017; an unscheduled five-day mill shutdown at LaRonde and lower than expected grades at Kittila in 2018; the slower than expected ramp up in production at the Amaruq satellite deposit at the Meadowbank Complex, challenging ground conditions at the Cerro Colorado underground operations at Pinos Altos, higher clay content in the ore at La India that impacted the tonnes of ore stacked on the heap leach pad in 2019 and wear issues with the apron feeder at Meliadine; and the impacts of the COVID-19 pandemic in 2020.

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 Canadian operations are incurred in Canadian dollars. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. From January 1, 2016 to December 31, 2020, the U.S. dollar/Canadian dollar exchange rate (as reported by the Bank of Canada) fluctuated from a high of C$0.82 per $1.00 to a low of C$0.69 per $1.00. Historical fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations. To attempt to mitigate its foreign exchange risk and minimize the impact of exchange rate movements on operating results and cash flow, the Company has periodically used foreign currency options and forward foreign exchange contracts to purchase Canadian dollars; however, there can be no assurance that these strategies will be effective. See "Risk Profile – Commodity Prices and Foreign Currencies" in the Annual MD&A for a description of the assumptions underlying the sensitivity calculations. In addition, the majority of the Company's operating costs at the Kittila mine are incurred in Euros and a significant portion of operating costs at the Pinos Altos and La India mines are incurred in Mexican pesos. Each of these currencies has also fluctuated significantly against the U.S. dollar over the past several years. There can be no assurance that the Company's foreign exchange derivatives strategies will be successful or that foreign exchange fluctuations will not materially adversely affect the Company's financial performance and results of operations.

The Company's ability to maintain current, or achieve forecast, gold production levels is dependent in part on the successful development and operation of new mines and/or expansion or optimization of existing mining operations.

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

Frequently, new mining operations experience unexpected problems during the start-up phase, and delays can often occur prior to production reaching its expected steady state levels. The Company may also experience actual capital and operating costs and operating results that differ materially from those anticipated. In addition, experience from

actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. For example, in 2019 the Company experienced issues related to pit dewatering and lower than expected equipment availability at the Meadowbank Complex and the apron feeder at the Meliadine mine.

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

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

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

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

Total cash costs per ounce and all-in sustaining costs per ounce are not recognized measures under US GAAP or IFRS, and this data may not be comparable to data presented by other gold mining companies. See "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 at most of its properties based on, among other things, a $1,250 per ounce gold price. The yearly average gold price has been above $1,250 per ounce since 2011 (other than 2015); however, prior to that time, yearly average gold prices were below $1,250 per ounce. Prolonged declines in the market price of gold (or applicable by-product metal prices) may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves. Should such reductions occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. For example, the Company recognized impairment losses in an aggregate amount of $389.7 million as at December 31, 2018 related to the Canadian Malartic mine, the La India mine and the El Barqueno project. Market price fluctuations of gold (or applicable by-product metal prices), as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral resources. Short-term factors relating to the mineral reserve, such as the need for orderly development of orebodies or the processing of new or different grades, may impair the profitability of a mine in any particular accounting period.

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

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

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

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

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

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

The Company is subject to the risks associated with foreign operations.

The Company's operations include mines in Finland and in northern Mexico. Collectively, these mines accounted for approximately 26% of the Company's gold production in 2020 and are expected to account for approximately 22% of the Company's gold production in 2021. These operations are subject to various levels of political, economic and other risks and uncertainties that are different from those encountered at the Company's Canadian properties. These risks and uncertainties vary from country to country and may include: extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; corruption; restrictions on foreign exchange and repatriation; restrictions or travel; hostage taking; security issues (including thefts of gold from a mine); changing political conditions; and currency controls. In addition, the Company must comply with multiple and potentially conflicting regulations in Canada, the United States, Finland and Mexico, including export requirements, taxes, tariffs, import duties and other trade barriers, as well as health, safety and environmental requirements.

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

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

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

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

The Company regularly evaluates opportunities to acquire all or a portion of the securities or assets of other mining businesses. Such acquisitions may be significant in size, may change the scale or scope of the Company's business and may expose the Company to new geographic, political, operating, financial, geological or reputational risks or the mining of primary metals other than gold. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms and integrate their operations successfully with those of the Company. Any acquisition would be accompanied by risks, such as: due diligence failures; the difficulty of assimilating the operations and personnel of any acquired businesses; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful integration of acquired assets and businesses; the maintenance of

uniform standards, controls, procedures and policies; the impairment of relationships with employees, suppliers and contractors as a result of any integration of new management personnel; the potential unknown liabilities (including potential environmental liabilities and permitting gaps, community issues, indigenous title and consultation and accommodation issues, or any prior bribery or corruption activities) associated with acquired assets and businesses; and for acquisitions that 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 is subject to the risks associated with foreign operations."). In addition, the Company may need additional capital to finance any acquisition. Debt financing related to any acquisition may expose the Company to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. The Company is permitted under the terms of its unsecured revolving bank credit facility and its guaranteed senior unsecured notes referred to under "Material Contracts" below to incur additional unsecured indebtedness, provided that it maintains certain financial ratios and meets financial condition covenants and, in the case of the bank credit facility, that no event of default under the bank credit facility has occurred and is continuing, or would occur as a result of the incurrence or assumption of such indebtedness. There can be no assurance that the Company would be successful in overcoming these or any other problems encountered in connection with such acquisitions.

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

The Company holds a direct and indirect 50% interest in the Canadian Malartic mine through the Partnership, with the remaining interest in this property being held indirectly by Yamana. The Company's interest in the Canadian Malartic mine is subject to the risks normally associated with the conduct of partnerships and other joint operations. The existence or occurrence of one or more of the following circumstances and events could have a material adverse effect on Company's profitability or the viability of its interests held through joint operations, which could have a material adverse effect on the Company's financial performance and results of operations: (i) lack of control over the joint operations and disagreement with partners on how to explore, develop or operate mines efficiently; (ii) inability to exert influence over certain strategic decisions made in respect of jointly held properties; (iii) inability of partners to meet their obligations to the joint operation or third parties; (iv) litigation between joint venture partners regarding joint operation matters; and (v) liability that might accrue to partners as a result of the failure of the joint venture or general partnership to satisfy its obligations. In addition to the Partnership, (i) in 2015, the Company entered into a joint venture with Barsele Minerals Corp. with respect to the Barsele project in Sweden, (ii) in 2020, the Company entered into a joint venture with Newmont Corporation with respect to the Anza project in Colombia, and (iii) in 2021, the Company entered into a joint venture with Maple Gold Mines Ltd. with respect to the Douay and Joutel properties in Quebec. The Company may enter into additional joint ventures or partnerships in the future.

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

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

The Company conducts annual impairment assessments of goodwill and, at the end of each reporting period, the Company assesses whether there is any indication that long-lived assets (such as mining properties and plant and equipment) may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. Testing for impairment involves a comparison of the recoverable amount of the cash generating unit to its carrying value. An impairment charge is recognized for any excess of the carrying amount of the asset group or reporting unit over its recoverable amount. For example, the

Company recognized impairment losses in an aggregate amount of $389.7 million as at December 31, 2018 related to the Canadian Malartic mine, the La India mine and the El Barqueno project.

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

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

The Company's unsecured revolving bank credit facility limits, among other things, the Company's, and certain of its subsidiaries that are guarantors under the facility, ability to permit the creation of certain liens, make investments other than investments in businesses related to mining or a business ancillary or complementary to mining, dispose of material assets or, in certain circumstances, pay dividends. In addition, the Company's guaranteed senior unsecured notes limit, among other things, the Company's, and certain of its subsidiaries that are guarantors under the notes, ability to permit the creation of certain liens, carry on business unrelated to mining or dispose of material assets. The bank credit facility and the guaranteed senior unsecured notes also require the Company to maintain specified financial ratios and meet financial condition covenants. Events beyond the Company's control, including changes in general economic and business conditions and global health crisis or pandemics (including with respect to COVID-19), may affect the Company's ability to satisfy these covenants, which could result in a default under the bank credit facility or the guaranteed senior unsecured notes and, by extension, the BNS Letter of Credit Facility (as defined below). At March 22, 2021, there was $241 million drawn under the bank credit facility (including under letters of credit) and approximately C$499 million drawn under the Company's other letter of credit facilities (not including amounts related to TMAC). If an event of default under the unsecured revolving bank credit facility or the guaranteed senior unsecured notes occurs, the Company would be unable to draw down further on the bank credit facility and the lenders could elect to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due and this would cause an event of default under the Company's guaranteed senior unsecured notes and other letter of credit facilities. An event of default under the unsecured revolving bank credit facility, the guaranteed senior unsecured notes or the uncommitted letter of credit facilities may also give rise to an event of default under other existing and future debt agreements and, in such event, the Company may not have sufficient funds to repay amounts owing under such agreements.

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

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

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

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

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

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

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

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

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

The capital required for operations (including operating, new or expanded operations) and continuing exploration and development projects will require substantial expenditures. The Company expects that capital expenditures will be approximately $803 million in 2021. If cash from operations is lower than expected, including due to impacts of the COVID-19 pandemic, or capital costs at the Company's mines or projects exceed current estimates, the Company incurs major unanticipated expenses related to exploration, development or maintenance of its properties or for other purposes or advances from the bank credit facility are unavailable, the Company may be required to seek, or may deem it advantageous to seek, additional financing to maintain its capital expenditures at planned levels. In addition, the Company will have additional capital requirements to the extent that it decides to expand its present operations and exploration activities, construct additional mining and processing operations at any of its properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may arise.

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

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

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

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

The Company's mining and mineral processing operations, exploration activities and properties are subject to the laws and regulations of federal, provincial, territorial, state and local governments in the jurisdictions in which the Company operates and the receipt of, and compliance with, applicable permits. These laws, regulations and permits are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal and tailings management, toxic substances, environmental protection, mine safety, reporting of payments to governments and other matters. Compliance with such laws, regulations and permits increases the costs of planning, designing, drilling, developing, constructing, operating, managing, closing, reclaiming and rehabilitating mines and other facilities. New laws or regulations, amendments to current laws and regulations governing operations and activities on mining properties or more stringent implementation or interpretation thereof could have a material adverse effect on the Company, increase costs, cause a reduction in levels of production and delay or prevent the development of new mining properties. Regulatory enforcement, in the form of infraction or compliance notices, has occurred at some of the Company's mines and 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, anti-bribery and sanctions 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 of companies convicted of violating these laws. The Company may be found liable for violations by not only its employees, but also by its third party agents. Measures that the Company has adopted to mitigate these risks may not always be effective in ensuring that the Company, its employees or third party agents will comply strictly with such laws. If the Company is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company which could result in a material adverse effect on the Company's reputation, financial performance and results of operations. If the Company chooses to operate in additional foreign jurisdictions in the future it may become subject to additional anti-corruption, anti-bribery and sanctions laws in such jurisdictions. See "– The Company may experience operational difficulties at its foreign operations".

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

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

In 2015, Canada established a greenhouse gases reduction target of 30% from 2005 levels by 2030 and signed the Paris Agreement to limit the global average temperature rise below 2 degrees Celsius and pursue efforts to limit the increase to 1.5 degrees Celsius. A new federal carbon pricing regime came into force in 2019, consisting of a carbon levy applicable to certain fuels, and an Output-Based Pricing System ("OBPS") that applies to industrial facilities, engaged in certain prescribed activities, that emit greenhouse gases above a prescribed threshold. The federal carbon pricing regime applies to the Company's Canadian operations in jurisdictions where provincial or territorial regimes do not meet federal requirements, including Nunavut where the Company produces electricity using diesel

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

The Company monitors and reports annually its direct and indirect greenhouse gas emissions to the international Carbon Disclosure Project. Fossil fuel use in mining and processing activities is the Company's most significant source of greenhouse gas emissions. In Quebec, the Company primarily uses hydroelectric power and is not a large producer of greenhouse gases. As a result, Quebec's regulatory requirements are not expected to have a material adverse effect on the Company. In 2020, the Company's total greenhouse gases emissions (direct and indirect) were approximately 551,000 tonnes equivalent CO2 (not including the Canadian Malartic mine). In 2020, the Company's Nunavut Operations (Meadowbank Complex and Meliadine mine) produced approximately 343,000 tonnes of greenhouse gases (direct and indirect) mostly from the production of electricity from diesel power generation, which is approximately 34% of the Company's total greenhouse gas emissions (not including the Canadian Malartic mine). The Pinos Altos mine purchases electricity that is largely fossil fuel generated and, as a result, it is the Company's third highest greenhouse gas producer (following the Meadowbank Complex and Meliadine mine) (approximately 80,000 tonnes of greenhouse gases in 2020) at approximately 15% of the Company's total direct and indirect greenhouse gas emissions (not including the Canadian Malartic mine).

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, energy disruptions and changing temperatures. There may also be supply chain implications in getting supplies to the Company's operations, including transportation issues.

In addition, global efforts to transition to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, focus and jurisdiction of these changes, transition risks may pose varying levels of financial and reputational risk to the business.

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

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

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

The Company is subject to litigation arising in the normal course of business and may be involved in disputes with other parties in the future which may result in litigation. The causes of potential future litigation cannot be known and

may arise from, among other things, business activities, environmental laws, volatility in stock price or failure or alleged failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve litigation favourably, either by judicial determination or settlement, it may have a material adverse effect on the Company's financial performance and results of operations.

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

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

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

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

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

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

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

- changes in the market price of gold or other by-product metals the Company sells;
- events affecting economic circumstances in Canada, the United States and elsewhere, including COVID-19;
- trends in the mining industry and the markets in which the Company operates;
- changes in financial estimates and recommendations by securities analysts;
- acquisitions, investments, 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 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. In addition, measures taken as a result of COVID-19 have resulted in more of the Company's workforce working remotely, which has increased the Company's reliance on its IT systems and associated risks.

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, 2020.

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 11, 2021, the Company declared a quarterly dividend of $0.35 per common share, which was paid on March 22, 2021. In 2020, the dividends paid were $0.95 per common share (quarterly payments of $0.20 per common share in the first, second and third quarters and $0.35 per common share in the fourth quarter). In 2019, the dividends paid were $0.55 per

common share (quarterly payments of $0.125 per common share in the first, second and third quarters and $0.175 per common share in the fourth quarter). In 2018, the dividends paid were $0.44 per common share (quarterly payments of $0.11 per common share). 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 ratings of the Company's notes (the "Notes") issued under the Note Purchase Agreements (as defined under "Material Contracts—Note Purchase Agreements") by the rating agencies DBRS Morningstar ("DBRS") and Fitch Ratings ("Fitch") as at December 31, 2020 are both BBB with a stable outlook. In addition, in February 2021 Moody's Investors Services ("Moody's" and together with DBRS and Fitch, the "Ratings Agencies") assigned an initial long-term issuer rating of Baa2 with a stable outlook.

The long-term credit ratings of the Ratings Agencies are on rating scales that range from AAA to D, which represents the range from highest to lowest quality of securities rated. The Ratings Agencies BBB ratings assigned to the Company's Notes are the fourth highest of the ten rating categories for long-term debt. A "BBB" rating by DBRS denotes 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 "stable" reflects the relative strength within the rating category. A "BBB" rating by Fitch denotes good credit quality and indicates that expectations of default risk are currently low; the capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. A "Baa2" rating by Moody's is judged to be medium-grade and subject to moderate credit risk and as such many possess certain speculative characteristics.

The Company understands that the ratings are based on, among other things, information furnished to the Ratings Agencies by the Company and information obtained by the Ratings Agencies from publicly available sources. The credit ratings given to the Company's Notes by the Ratings Agencies are 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 any of the Ratings Agencies lowers the credit ratings 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 each of the Ratings Agencies an annual fee in connection with the rating of the Notes and an additional fee if and when additional Notes are issued. The Company also made payments to DBRS in 2020 of $162,000 (2019 – $68,365) and to Fitch in 2020 of $175,000 (2019 – nil).

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, 2021, the closing price of the common shares was C$75.67 on the TSX and $60.40 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, 2020.

	TSX			NYSE		
	High (C$)	Low (C$)	Average Daily Volume	High ($)	Low ($)	Average Daily Volume
2020						
January	81.80	75.94	1,041,835	62.45	58.13	1,516,389
February	81.00	63.69	2,227,363	60.93	47.53	2,549,694
March	71.37	51.66	2,544,649	53.16	36.36	3,092,075
April	85.85	59.16	1,610,677	61.13	41.59	2,184,021
May	97.27	86.18	1,312,029	68.93	61.20	1,692,777
June	86.98	77.10	1,437,027	64.11	57.40	1,628,819
July	106.37	84.70	946,070	79.49	62.34	1,495,491
August	111.90	102.53	1,138,607	84.10	77.30	1,305,163
September	114.00	100.02	1,043,415	86.47	74.71	1,423,183
October	110.60	101.26	784,955	84.18	76.13	903,646
November	109.74	81.79	1,381,675	84.16	62.89	1,426,544
December	93.57	87.66	1,070,233	73.02	68.69	970,743
2021						
January	96.68	86.96	897,397	76.39	67.97	1,293,833
February	92.75	74.00	1,295,333	73.02	58.72	1,530,853
March (to March 22)	76.20	70.06	1,085,361	61.42	55.36	1,273,299

DIRECTORS AND OFFICERS OF THE COMPANY

Directors

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

Leona Aglukkaq, of West Bay, Nova Scotia, is an is an independent director of Agnico Eagle. Ms. Aglukkaq is an experienced politician and government administrator from the Kitikmeot Region of Nunavut. She was first elected as a Member of Parliament in 2008 and, in 2009, became the first Inuk in Canadian history to be appointed to Cabinet (as Minister of Health). In addition to her Federal government experience, Ms. Aglukkaq has broad public government exposure, including international diplomatic experience as Chair of the Arctic Council (2012-2015), a leading intergovernmental forum promoting cooperation, coordination and interaction among the Arctic states, Arctic Indigenous communities and other Arctic inhabitants on common Arctic issues, in particular on issues of sustainable development and environmental protection in the Arctic. Ms. Aglukkaq also has territorial government experience as both an elected official and a public official in the governments of Nunavut and the Northwest Territories, and as a founding member of the Nunavut Impact Review Board. In 2021, Ms. Aglukkaq received the Women in Mining Canada Indigenous Trailblazer Award Ms. Aglukkaq was on the board of directors of TMAC Resources Inc. until its acquisition by the Company in February 2021. Ms. Aglukkaq is a graduate of Arctic College, NWT (Public and Business Administration) and holds a Certification in Human Resources from the University of Winnipeg. Ms. Aglukkaq has been a director of Agnico Eagle since March 11, 2021.

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

Martine A. Celej, of Toronto, Ontario, is an independent director of Agnico Eagle. Ms. Celej is currently a Vice-President, Investment Advisor with RBC Dominion Securities and has been in the investment industry since 1989. Ms. Celej 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.

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

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

Deborah McCombe, P. Geo., of Toronto, Ontario, is an independent director of Agnico Eagle. Ms. McCombe is Technical Director, Global Mining Advisory at SLR Consulting ("SLR"). She has over 30 years' international experience in exploration project management, feasibility studies, reserve estimation, due diligence studies and valuation studies and was President and CEO of Roscoe Postle Associates Inc. ("RPA") when it was purchased by SLR in 2019. Prior to joining RPA, Ms. McCombe was Chief Mining Consultant for the Ontario Securities Commission and was involved in the development and implementation of NI 43-101. She is actively involved in industry associations as a member of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO); President of the Association of Professional Geoscientists of Ontario (2010 – 2011); a Director of the Prospectors and Developers Association of Canada (1999 – 2011); a CIM Distinguished Lecturer on NI 43 101; co

chair of the CIM Mineral Resource and Mineral Reserve Committee; is a member of the CSA Mining Technical Advisory and Monitoring Committee; and was a Guest Lecturer at the Schulich School of Business, MBA in Global Mine Management at York University. Ms. McCombe holds a degree in Geology from Western University. Ms. McCombe has been a director of Agnico Eagle since February 12, 2014.

James D. Nasso, ICD.D, of Toronto, Ontario, is Chairman of the Board of Directors and an independent director of Agnico Eagle. Now retired, Mr. Nasso 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 Jamie Sokalsky (Chair), Mel Leiderman and Deborah McCombe.

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)).

Dominique Girard, Eng., of St. Sauveur, Quebec, is Senior Vice-President, Operations – Canada and Europe of Agnico Eagle, a position he has held since July 2020. Prior to that, Mr. Girard was Vice-President, Operations Support – Canada and Europe and before that he was Vice-President, Nunavut, Corporate Director with the Business Strategy and Technical Services groups, General Manager at the Meadowbank mine and Mill Superintendent at the Kittilä mine. Mr. Girard is a graduate of Laval University (B.Sc. in mineral processing). Mr. Girard is a member of the Order of Engineers (OIQ – Quebec).

Guy Gosselin, Eng., P.Geo., of Val d'Or, Quebec, is Senior Vice-President, Exploration of Agnico Eagle, a position he has held since August 2019. Prior to that, Mr. Gosselin was Vice-President, Exploration and before that he was Exploration Manager for Eastern-Canada, Chief Geologist at the LaRonde Division and an Exploration Geologist. He first joined Agnico Eagle in 2000. Mr. Gosselin is a graduate of the Université du Québec de Chicoutimi (M.Sc.). Mr. Gosselin is a Professional Engineer and is a member of the Order of Engineers (OIQ – Quebec) and the Order of Geologists (OGQ – Quebec).

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

Carol-Ann Plummer-Theriault, Eng., of Pont-Rouge, Quebec, is Senior Vice-President, Sustainability, People & Culture of Agnico Eagle, a position she has held since January 2021. Prior to that, she was Senior Vice-President, Sustainability and before that she was Vice-President, Corporate Development. She joined Agnico Eagle in 2004 and held several key positions including General Manager Lapa mine; General Manager Kittila mine; General Manager LaRonde mine; Corporate Director Mining; Senior Corporate Director – Engineering and Project Development, USA and Latin America; and Vice-President, Project Development, Southern Business. Ms. Plummer is a graduate of Queen's University (B.Sc. in Mining Engineering) and is a Professional Engineer (Quebec).

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

David Smith, P.Eng., of Toronto, Ontario, is Senior Vice-President, Finance and Chief Financial Officer of Agnico Eagle, a position he has held since October 24, 2012. Prior to that, he was Senior Vice-President, Strategic Planning and Investor Relations, a position he held since January 1, 2011, and before that he was Senior 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.

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

Shareholdings of Directors and Officers

As at March 22, 2021, the directors and officers of Agnico Eagle, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 583,745 common shares or approximately 0.24% of the 243,695,359 issued and outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, 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.

Ms. Aglukkaq, a director of the Company, was a director of North Bud Farms Inc. ("NBFI") from May 7, 2018 until her resignation on February 16, 2021. On March 31, 2020, a management cease trade order was issued by the Ontario Securities Commission in respect of NBFI (the "March Order"). On June 2, 2020, the March Order was revoked and a failure-to-file cease trade order was issued by the Ontario Securities Commission in respect of NBFI (the "June Order" and, together with the March Order, the "NBFI Orders"). The NBFI Orders were issued in response to NBFI's failure to file certain periodic disclosure documents in connection with the year ended November 30, 2019 by the applicable filing deadlines. The June Order remains outstanding.

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 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, Mr. Sokalsky (Chair), Mr. Leiderman and Ms. McCombe), 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 2020 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, 2020 and 2019. Fees paid to Ernst & Young LLP in 2020 and 2019 are set out below.

	Year Ended December 31,	
	2020	**2019**
	(C$ thousands)	
Audit fees	3,106	2,939
Audit-related fees[(1)]	125	99
Tax fees[(2)]	344	1,001
All other fees[(3)]	234	48
Total[(4)]	**3,809**	**4,087**

Notes:

(1) Audit-related fees consist of fees billed 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 billed 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 billed 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 billed to auditors in the previous two years.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

None.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described in this AIF, since January 1, 2018, no director, officer or 10% shareholder of the Company or any associate or affiliate of any such person or shareholder, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

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

MATERIAL CONTRACTS

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

Credit Facility

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

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

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

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

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

As at March 22, 2021, there was approximately $241 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:

- 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, 2021, there was approximately C$285 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, 2021, there was approximately C$130 million in the aggregate of letters of credit outstanding under the TD Letter of Credit Facility.

Note Purchase Agreements

On April 7, 2010, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $115 million 6.13% Series A senior notes due 2017, $360 million 6.67% Series B senior notes due 2020 and $125 million 6.77% Series C senior notes due 2022 (the "2010 Note Purchase Agreement"). The Series A senior notes under the 2010 Note Purchase Agreement matured in 2017. On July 24, 2012, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $100 million 4.87% Series A senior notes due 2022 and $100 million 5.02% Series B senior notes due 2024 (the "2012 Note Purchase Agreement").

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

$250 million 4.63% Series C senior notes due 2033 (the "2018 Note Purchase Agreement"). On April 7, 2020, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of notes consisting of $100 million 2.78% Series A senior notes due 2030 and $100 million 2.88% Series B senior notes due 2032 (the "2020 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, the 2017 Note Purchase Agreement and the 2018 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 and the 2020 Note Purchase Agreement, to maintain a minimum tangible net worth. Events of default under the Note Purchase Agreements include:

- the failure to pay principal or make whole amounts when due and payable or interest, fees or other amounts payable within five business days of such amounts becoming due and payable;
- the breach by any Obligor of any other term or covenant that is not cured within 30 business days after the earlier of written notice of the breach having been given to the Company or actual knowledge of the breach is obtained;
- the finding that any representation or warranty made by an Obligor was false or incorrect in any material respect on the date as of which it was made;
- a default under any other indebtedness of the Obligors if the effect of such default is to accelerate, or to permit the acceleration of, the due date of such indebtedness in an aggregate amount of $50 million or more; and
- various events relating to the bankruptcy or insolvency or winding-up, liquidation or dissolution or cessation of business of any Obligor.

The Note Purchase Agreements provide that, upon the occurrence of certain events of default, the notes automatically become due and payable without any further action.

In addition, the Note Purchase Agreements contain a "Most Favored Lender" clause which acts to incorporate into the Note Purchase Agreements any grace periods upon an event of default that are shorter in the Credit Facility than in the Note Purchase Agreements. The 2018 Note Purchase Agreement's and the 2020 Note Purchase Agreement's "Most Favored Lender" clauses also provide 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 and the 2020 Note Purchase Agreement, as applicable.

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 Alexandre Proulx, Eng., Carol Plummer, Eng., Daniel Doucet, Eng., Daniel Pare, P.Eng., Dany Laflamme, Eng., David Paquin Bilodeau, P.Geo., Denis Caron, Eng., Dominique Girard, Eng., Dyane Duquette, P.Geo., Francis Brunet, P.Eng., Francois Bouchard, P.Geo., François Petrucci, Eng., François Robichaud, Eng., Guy Gagnon, P.Eng., Guy Gosselin, Eng., P.Geo., Julie Larouche, P.Geo., Karl Leetmaa, P. Eng., Larry Connell, P.Eng., Louise Grondin, P.Eng., Marc Legault, Eng., Nicole Houle, P.Geo., Pascal Lehouiller, P.Geo., Paul Cousin, Eng., Pierre Matte, Eng., Pierre McMullen, P. Eng., Robert Badiu, P.Geo. or Sylvie Lampron, 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 22, 2021 relating to the annual and special meeting of shareholders of the Company scheduled for April 30, 2021. Additional financial information is provided in the Annual Financial Statements and Annual MD&A.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER OF THE COMPANY

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

I. PURPOSE OF THE AUDIT COMMITTEE

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

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

II. COMPOSITION

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

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

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

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

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

III. MEETINGS

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

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

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

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

IV. RESPONSIBILITIES AND DUTIES

The Audit Committee's primary responsibilities are to:

General

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

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

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

Documents/Reports Review

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

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

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

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

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

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

External Auditors

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

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

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

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

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

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

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

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

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

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

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

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

Internal Auditor

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

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

23. establish procedures for:

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

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

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

Fraud Prevention and Detection

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

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

Financial Reporting Process

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

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

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

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

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

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

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

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

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

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

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

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

Disclosure Controls and Procedures

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

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

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

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

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

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

Legal Compliance

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

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

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

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

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

Related Party Transactions

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

Reporting and Powers

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

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

V. LIMITATION OF RESPONSIBILITY

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

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Exhibit 99.2

Annual Audited Consolidated Financial Statements

(Prepared in accordance with International Financial Reporting Standards)

AGNICO EAGLE

MANAGEMENT CERTIFICATION

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

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2020. 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, 2020, 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, 2020 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, 2021

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, 2020 and 2019, the related consolidated statements of income, comprehensive income , 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, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the "PCAOB"), the Company's internal control over financial reporting as of December 31, 2020, 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, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill and property, plant and mine development impairment

Description of the Matter

At December 31, 2020, the carrying values of goodwill and property, plant and mine development were $407.8 million and $7,325.4 million, respectively. The Company's impairment test with regard to the Canadian Malartic cash generating unit ("CGU") required management to make significant assumptions in determining the recoverable amount, such as gold price, discount rate, and rate of conversion from resources to reserves. The Company discloses significant judgements, estimates and assumptions in respect of impairment in Note 4 to the consolidated financial statements and the results of their analysis in Note 23.

This matter was identified as a critical audit matter in respect of the Canadian Malartic CGU due to the significant estimation uncertainty and judgement applied by management in determining the recoverable amount, primarily due to the sensitivity of the underlying key assumptions to the future cash flows and the significant effect changes in these assumptions would have on the recoverable amount.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's impairment and mineralization processes.

We involved our valuation specialist to assist in evaluating the discount rate against current industry and economic trends as well as company-specific risk premiums. We also involved our valuation specialist to compare gold prices against market data, including a range of analyst forecasts. We performed sensitivity analyses over the discount rate and gold price assumptions to assess the impact on the recoverable amount of the Canadian Malartic CGU.

To evaluate the estimates of reserves, resources and exploration potential used in the impairment analysis, we reviewed the economic assumptions used in establishing cut-off grades for reserve and resource estimates. We involved our geology specialist to assist in understanding and evaluating the factors that affected the Company's estimated conversion of mineral resources and exploration potential into reserves.

To test estimates of the fair value of mineralization in excess of the life of mine plan, we involved our valuation specialist to assist in reviewing the valuation methods selected by management for each area of mineralization, which was based on each deposit's characteristics. Where an income approach was employed, we inspected and evaluated management's analysis supporting the anticipated economics, including comparing the deposits to existing operations and involving our specialist.

/s/ Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

We have served as the Company's auditor since 1983.

Toronto, Canada
March 26, 2021

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, 2020, 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, 2020, 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, 2020 and 2019, and the related consolidated statements of income, comprehensive income, equity and cash flows for the years then ended, and the related notes and our report dated March 26, 2021 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

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 26, 2021

AGNICO EAGLE MINES LIMITED
CONSOLIDATED BALANCE SHEETS

(thousands of United States dollars, except share amounts)

	As at December 31, 2020	As at December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 402,527	$ 321,897
Short-term investments	3,936	6,005
Trade receivables (Notes 5 and 18)	11,867	8,320
Inventories (Note 6)	630,474	580,068
Income taxes recoverable (Note 24)	3,656	2,281
Fair value of derivative financial instruments (Notes 5 and 20)	35,516	4,535
Other current assets (Note 7A)	159,212	179,218
Total current assets	1,247,188	1,102,324
Non-current assets:		
Goodwill (Notes 22 and 23)	407,792	407,792
Property, plant and mine development (Notes 8 and 12)	7,325,418	7,003,665
Investments (Notes 5, 9 and 20)	375,103	91,236
Other assets (Note 7B)	259,254	184,868
Total assets	$ 9,614,755	$ 8,789,885
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (Note 10)	$ 363,801	$ 345,572
Reclamation provision (Note 11)	15,270	12,455
Interest payable	12,184	16,752
Income taxes payable (Note 24)	102,687	26,166
Lease obligations (Note 12)	20,852	14,693
Current portion of long-term debt (Note 13)	–	360,000
Fair value of derivative financial instruments (Notes 5 and 20)	904	–
Total current liabilities	515,698	775,638
Non-current liabilities:		
Long-term debt (Note 13)	1,565,241	1,364,108
Lease obligations (Note 12)	99,423	102,135
Reclamation provision (Note 11)	651,783	427,346
Deferred income and mining tax liabilities (Note 24)	1,036,061	948,142
Other liabilities (Note 14)	63,336	61,002
Total liabilities	3,931,542	3,678,371

EQUITY

Common shares (Note 15): Outstanding – 243,301,195 common shares issued, less 416,881 shares held in trust	5,751,479	5,589,352
Stock options (Notes 15 and 16)	175,640	180,160
Contributed surplus	37,254	37,254
Deficit	(366,412)	(647,330)
Other reserves (Note 17)	85,252	(47,922)
Total equity	5,683,213	5,111,514
Total liabilities and equity	$ 9,614,755	$ 8,789,885
Commitments and contingencies (Note 26)		

On behalf of the Board:



Sean Boyd, CPA, CA, Director



Jamie Sokalsky, CPA, CA, Director

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF INCOME

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

	Year Ended December 31,	
	2020	**2019**
REVENUES		
Revenues from mining operations (Note 18)	$ 3,138,113	$ 2,494,892
COSTS, EXPENSES AND OTHER INCOME		
Production[(i)]	1,424,152	1,247,705
Exploration and corporate development	113,492	104,779
Amortization of property, plant and mine development (Note 8)	631,101	546,057
General and administrative	116,288	120,987
Finance costs (Note 13)	95,134	105,082
Gain on derivative financial instruments (Note 20)	(107,873)	(17,124)
Environmental remediation (Note 11)	27,540	2,804
Impairment reversal (Note 23)	–	(345,821)
Foreign currency translation loss	22,480	4,850
Other expenses (income) (Note 21)	48,234	(13,169)
Income before income and mining taxes	767,565	738,742
Income and mining taxes expense (Note 24)	255,958	265,576
Net income for the year	$ 511,607	$ 473,166
Net income per share – basic (Note 15)	$ 2.12	$ 2.00
Net income per share – diluted (Note 15)	$ 2.10	$ 1.99
Cash dividends declared per common share	$ 0.95	$ 0.55

Note:

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

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(thousands of United States dollars)

	Year Ended December 31,	
	2020	**2019**
Net income for the year	$ 511,607	$ 473,166
Other comprehensive income:		
Items that may be subsequently reclassified to net income:		
Derivative financial instruments (Note 17)		
Cash flow hedge reserve	(12,823)	–
Reclassified from the cash flow hedge reserve to net income	859	–
	(11,964)	–
Items that will not be subsequently reclassified to net income:		
Pension benefit obligations:		
Remeasurement loss on pension benefit obligations (Note 14)	(2,721)	(4,296)
Income tax impact (Note 24)	812	572
Equity securities (Note 9)		
Net change in fair value of equity securities at FVTOCI	157,672	12,238
Income tax impact (Note 24)	(12,534)	–
	143,229	8,514
Other comprehensive income for the year	131,265	8,514
Comprehensive income for the year	$ 642,872	$ 481,680

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF EQUITY

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

	Common Shares Outstanding						
	Shares	Amount	Stock Options	Contributed Surplus	Deficit	Other Reserves	Total Equity
Balance at January 1, 2019	234,458,597	$ 5,362,169	$ 197,597	$ 37,254	$ (988,913)	$ (58,095)	$ 4,550,012
Net income	–	–	–	–	473,166	–	473,166
Other comprehensive (loss) income	–	–	–	–	(3,724)	12,238	8,514
Total comprehensive income	–	–	–	–	469,442	12,238	481,680
Transfer of gain on disposal of equity securities at FVTOCI to deficit	–	–	–	–	2,065	(2,065)	–
Transactions with owners:							
Shares issued under employee stock option plan (Notes 15 and 16A)	4,214,332	174,885	(34,258)	–	–	–	140,627
Stock options (Notes 15 and 16A)	–	–	16,821	–	–	–	16,821
Shares issued under incentive share purchase plan (Note 16B)	435,420	23,208	–	–	–	–	23,208
Shares issued under dividend reinvestment plan	492,531	24,555	–	–	–	–	24,555
Dividends declared ($0.55 per share)	–	–	–	–	(129,924)	–	(129,924)
Restricted Share Unit plan, Performance Share Unit plan, and Long Term Incentive Plan (Notes 15 and 16C,D)	18,155	4,535	–	–	–	–	4,535
Balance at December 31, 2019	239,619,035	$ 5,589,352	$ 180,160	$ 37,254	$ (647,330)	$ (47,922)	$ 5,111,514
Net income	–	–	–	–	511,607	–	511,607
Other comprehensive (loss) income	–	–	–	–	(1,909)	133,174	131,265
Total comprehensive income	–	–	–	–	509,698	133,174	642,872
Transactions with owners:							
Shares issued under employee stock option plan (Notes 15 and 16A)	2,170,460	110,928	(20,432)	–	–	–	90,496
Stock options (Notes 15 and 16A)	–	–	15,912	–	–	–	15,912
Shares issued under incentive share purchase plan (Note 16B)	351,086	20,740	–	–	–	–	20,740

Shares issued under dividend reinvestment plan	611,859	38,524	–	–	–	–	38,524
Dividends declared ($0.95 per share)	–	–	–	–	(228,780)	–	(228,780)
Restricted Share Unit plan, Performance Share Unit plan, and Long Term Incentive Plan (Notes 15 and 16C,D)	131,874	(8,065)	–	–	–	–	(8,065)
Balance at December 31, 2020	242,884,314	$ 5,751,479	$ 175,640	$ 37,254	$ (366,412)	$ 85,252	$ 5,683,213

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands of United States dollars)

	Year Ended December 31,	
	2020	**2019**
OPERATING ACTIVITIES		
Net income for the year	$ 511,607	$ 473,166
Add (deduct) adjusting items:		
Amortization of property, plant and mine development (Note 8)	631,101	546,057
Deferred income and mining taxes (Note 24)	75,756	152,595
Unrealized gain on currency and commodity derivatives (Note 20)	(30,079)	(12,744)
Unrealized gain on warrants (Note 20)	(82,003)	(2,325)
Stock-based compensation (Note 16)	54,486	54,261
Impairment reversal (Note 23)	–	(345,821)
Foreign currency translation loss	22,480	4,850
Other	27,781	(2,746)
Changes in non-cash working capital balances:		
Trade receivables	(3,547)	1,735
Income taxes	77,922	22,223
Inventories	(82,949)	(91,436)
Other current assets	198	(2,742)
Accounts payable and accrued liabilities	(5,522)	84,844
Interest payable	(5,177)	(225)
Cash provided by operating activities	1,192,054	881,692
INVESTING ACTIVITIES		
Additions to property, plant and mine development (Note 8)	(759,342)	(882,664)
Proceeds from sale of property, plant and mine development (Note 8)	936	3,692
Net sales of short-term investments	2,069	75
Net proceeds from sale of equity securities and other investments (Note 7A)	8,759	43,733
Purchases of equity securities and other investments (Notes 7B and 9)	(45,234)	(33,498)
Payments for financial assets at amortized cost	(16,000)	(5,222)
Cash used in investing activities	(808,812)	(873,884)
FINANCING ACTIVITIES		
Proceeds from Credit Facility (Note 13)	1,075,000	220,000

Repayment of Credit Facility (Note 13)		(1,075,000)		(220,000)
Proceeds from Senior Notes issuance (Note 13)		200,000		–
Repayment of Senior Notes (Note 13)		(360,000)		–
Long-term debt financing costs (Note 13)		(1,597)		–
Repayment of lease obligations		(15,870)		(15,451)
Dividends paid		(190,255)		(105,408)
Repurchase of common shares for stock-based compensation plans (Notes 15 and 16C,D)		(39,622)		(24,669)
Proceeds on exercise of stock options (Note 16A)		90,656		140,627
Common shares issued (Note 15)		13,866		15,511
Cash (used in) provided by financing activities		(302,822)		10,610
Effect of exchange rate changes on cash and cash equivalents		210		1,653
Net increase in cash and cash equivalents during the year		80,630		20,071
Cash and cash equivalents, beginning of year		321,897		301,826
Cash and cash equivalents, end of year	$	402,527	$	321,897
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid	$	95,119	$	101,523
Income and mining taxes paid	$	110,851	$	90,694

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, 2020

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, 2021.

2. BASIS OF PRESENTATION

A) Statement of Compliance

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

B) Basis of Presentation

Overview

These consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are measured at fair value. The consolidated financial statements are presented in US dollars and all values are rounded to the nearest thousand, except where otherwise indicated.

Subsidiaries

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

Joint Arrangements

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Business Combinations

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

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

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

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

B) Foreign Currency Translation

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

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

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

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

C) Cash and Cash Equivalents

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

D) ***Short-term Investments***

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

E) ***Inventories***

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

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

NRV is estimated by calculating the net selling price less costs to be incurred in converting the relevant inventories to saleable product and delivering it to a customer. Costs to complete are based on management's best estimate as at the consolidated balance sheet date. An NRV impairment may be reversed in a subsequent period if the circumstances that triggered the impairment no longer exist.

F) ***Financial Instruments***

The Company's financial assets and liabilities (financial instruments) include cash and cash equivalents, short-term investments, restricted cash, trade receivables, equity securities, share purchase warrants, loans receivable accounts payable and accrued liabilities, long-term debt and derivative financial instruments. Financial instruments are classified at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI"), or fair value through profit or loss ("FVTPL"). All financial instruments are recorded at fair value at recognition. Subsequent to initial recognition, financial instruments classified as cash and cash equivalents, short-term investments, loans receivable, accounts payable and accrued liabilities, and long-term debt are measured at amortized cost using the effective interest method. Other financial instruments 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 FVTOCI 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 realized gain or loss is reclassified from other comprehensive income to the deficit when the asset is de-recognized. The election is made on an investment-by-investment basis.

Derivative Instruments and Hedge Accounting

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

The Company recognizes all derivative financial instruments in the consolidated financial statements at fair value and they are classified based on contractual maturity. Derivative instruments are classified as either hedges of highly probable forecast transactions (cash flow hedges) or non-hedge derivatives. Derivatives designated as a cash flow hedge that are expected to be highly effective in achieving offsetting changes in cash flows are assessed on an ongoing basis to determine that they have actually been highly effective throughout the financial reporting periods for which they were designated. Derivative assets and derivative liabilities are shown separately in the consolidated balance sheets 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 gain or loss on derivative financial instruments line item in the consolidated statements of income. 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 gain or loss on derivative financial instruments line item in the consolidated statements of income (FVTPL).

The Company also holds share purchase warrants of certain publicly traded entities where it has an investment in equity securities. Share purchase warrants are accounted for as derivative financial instruments and presented as part of investments in the consolidated balance sheets.

Expected Credit Loss Impairment Model

An assessment of the expected credit loss related to a financial asset is undertaken upon initial recognition and at the end of each reporting period based on the credit quality of the debtor and any changes that impact the risk of impairment.

G) Goodwill

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

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

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

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

Mining Properties

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

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

Assets under construction are not amortized until the earlier of 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 within property, plant and mine development.

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 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 earlier of 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, 2020 range from an estimated 3 to 14 years.

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

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

Mine Development Costs

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

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

Deferred Stripping

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

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

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

Production stage stripping costs provide a future economic benefit when:

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

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

Borrowing Costs

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

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

l) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- The contract involves the use of an explicitly or implicitly identified asset;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract term;
- The Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease obligation at the commencement date of the lease (i.e. the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease obligations. The cost of right-of-use assets includes the initial amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Company recognizes lease obligations measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments include fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees and the exercise price of a purchase option reasonably certain to be exercised by the Company.

After the commencement date, the amount of lease obligations is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease obligations is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments, changes based on an index or rate or a change in the assessment to purchase the underlying asset.

The Company presents right-of-use assets in the property, plant and mine development line item on the consolidated balance sheets and lease obligations in the lease obligations line item on the consolidated balance sheets.

The Company has elected not to recognize right-of-use assets and lease obligations for leases that have a lease term of 12 months or less and do not contain a purchase option, for leases related to low value assets, or for leases with variable lease payments. Payments on short-term leases, leases of low value assets, and leases with variable payment amounts are recognized as an expense in the consolidated statements of income.

J) Development Stage Expenditures

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

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

Revenue from metal sales prior to the achievement of commercial production is deducted from mine development costs in the consolidated balance sheets and is not included in revenue from mining operations.

Commercial Production

A mine construction project is considered to have entered the production stage when the mine construction assets are available for use. In determining whether mine construction assets are considered available for use, the criteria considered include, but are not limited to, the following:

- completion of a reasonable period of testing mine plant and equipment;
- ability to produce minerals in saleable form (within specifications); and
- ability to sustain ongoing production of minerals.

When a mine construction project moves into the production stage, amortization commences, the capitalization of certain mine construction costs ceases and expenditures are either capitalized to inventories or expensed as incurred. Exceptions include costs incurred for additions or improvements to property, plant and mine development and open-pit stripping activities.

K) Impairment and Impairment Reversal of Long-lived Assets

At the end of each reporting period the Company assesses whether there is any indication that long-lived assets other than goodwill may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. If it is not possible to estimate the recoverable amount of the individual asset, assets are grouped at the CGU level for the purpose of assessing the recoverable amount. An impairment loss is recognized for any excess of the carrying amount of the CGU over its recoverable amount. If the CGU includes goodwill, the impairment loss related to a CGU is first allocated to goodwill and the remaining loss is allocated on a pro-rata basis to the remaining long-lived assets of the CGU based on their carrying amounts. Impairment losses are recorded in the consolidated statements of income in the period in which they occur.

Any impairment charge that is taken on a long-lived asset other than goodwill is reversed if there are subsequent changes in the estimates or significant assumptions that were used to recognize the impairment loss that result in an increase in the recoverable amount of the CGU. If an indicator of impairment reversal has been identified, the

recoverable amount of the asset is calculated in order to determine if any impairment reversal is required. A recovery is recognized to the extent the recoverable amount of the asset exceeds its carrying amount. The amount of the reversal is limited to the difference between the current carrying amount and the amount which would have been the carrying amount had the earlier impairment not been recognized and amortization of that carrying amount had continued. The impairment reversal is allocated on a pro-rata basis to the existing long-lived assets of the CGU based on their carrying amounts. Impairment reversals are recorded in the consolidated statements of income in the period in which they occur.

L) Debt

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

M) Reclamation Provisions

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

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

Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are the construction of new processing facilities, changes in the quantities of material in 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.

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

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

N) Post-employment Benefits

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

The Company 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.

The Company provides three defined benefit retirement plans for certain eligible employees in Mexico (the "Mexico Plans") that provide a lump-sum payment upon retirement. The payment is based on age and length of service at retirement. Eligible employees are entitled to a benefit if they have completed 15 years of service as a permanent employee and are 60 years of age or older. The Mexico Plans are not funded.

Defined Contribution Plan

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

Defined Benefit Plan

Plan assets are measured at their fair value at the consolidated balance sheet date and are deducted from the present value of plan liabilities to arrive at a net defined benefit liability/asset. The defined benefit obligation reflects

the expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Current service cost represents the actuarially calculated present value of the benefits earned by the active employees in each period and reflects the economic cost for each period based on current market conditions. The current service cost is based on the most recent actuarial valuation. The net interest on the net defined benefit liability/asset is the change during the period in the defined benefit liability/asset that arises from the passage of time.

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

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

O) Contingent Liabilities and Other Provisions

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

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

P) Stock-based Compensation

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

Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the granting of options to directors, officers, employees and service providers to purchase common shares. Options have exercise prices equal to the market price on the day prior to the date of grant. The fair value of these options is recognized in the consolidated statements of income 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 as the award recipient's payroll costs and the corresponding entry is recorded in equity. Equity-settled awards are not remeasured subsequent to the initial grant date. The dilutive impact of stock option grants is factored into the Company's reported diluted net income per share. The stock option expense incorporates an expected forfeiture rate, estimated based on expected employee turnover.

Incentive Share Purchase Plan ("ISPP")

Under the ISPP, directors (excluding non-executive directors), officers and employees (the "Participants") of the Company may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each Participant's contribution. All common shares subscribed for under the ISPP are issued by the Company.

The Company records an expense equal to its cash contribution to the ISPP. No forfeiture rate is applied to the amounts accrued. Where an employee leaves prior to the vesting date, any accrual for contributions by the Company during the vesting period related to that employee is reversed.

Restricted Share Unit ("RSU") Plan

The RSU plan is open to directors and certain employees, including senior executives, of the Company. Common shares are purchased and held in a trust until they have vested. The cost is recorded over the vesting period of the award to the same expense category as the award recipient's payroll costs. The cost of the RSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Performance Share Unit ("PSU") Plan

The PSU plan is open to senior executives of the Company. Common shares are purchased and held in a trust until they have vested. PSUs are subject to vesting requirements based on specific performance measurements by the Company. The fair value for the portion of the PSUs related to market conditions is based on the application of pricing models at the grant date and the fair value for the portion related to non-market conditions is based on the market value of the shares at the grant date. Compensation expense is based on the current best estimate of the outcome for the specific performance measurement established by the Company and is recognized over the vesting period based on the number of units estimated to vest. The cost of the PSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Q) Revenue from Contracts with Customers

Gold and Silver

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

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

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

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

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

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

Metal Concentrates

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

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

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

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

R) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition.

Exploration and evaluation expenditures are expensed as incurred unless it can be demonstrated that the project will generate future economic benefit. When it is determined that a project can generate future economic benefit the costs are capitalized in the property, plant and mine development line item in the consolidated balance sheets.

The exploration and evaluation phase ends when the technical feasibility and commercial viability of extracting the mineral is demonstrable.

S) Net Income Per Share

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

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

T) Income Taxes

Current and deferred tax expenses are recognized in the consolidated statements of income 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.

U) Comparative Figures

Certain figures in the consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of these financial statements as at and for the year ended December 31, 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

In May 2020, the IASB issued amendments to IAS 16 Property, Plant and Equipment that clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and mine development to the location and condition necessary for it to be capable of operating in the manner intended by management. The amendments prohibit entities from deducting amounts received from selling items produced from the cost of property, plant and mine development while the Company is preparing the asset for its intended use. Instead, sales proceeds and the cost of producing these items will be recognized in the consolidated statements of income. The amendments are effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The amendments apply retrospectively, but only to assets brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments. The Company is evaluating the extent of the impact of the amendments on its financial statements.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable; however, actual results may differ materially from these estimates. The key areas where significant judgments, estimates and assumptions have been made are summarized below.

Uncertainty due to the COVID-19 Pandemic

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, the Company or others related to the COVID-19 pandemic. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty.

Inputs and assumptions relate to, among other things, interest rates, foreign exchange rates, cost of capital, commodity prices, and the amount and timing of future cash flows, while accounting judgments take into consideration the business and economic uncertainties related to the COVID-19 pandemic and the future response of governments, the Company and others to those uncertainties. In the current environment, the inputs and assumptions and judgements are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 pandemic on various financial accounts and note disclosures and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions includes the Company's valuation of the long-term assets (including the assessment for impairment and impairment reversal), estimation of reclamation provisions, estimation of mineral reserves and mineral resources, and estimation of income and mining taxes. Actual results may differ materially from these estimates.

Impairment and Impairment Reversals

The Company evaluates each asset or CGU (excluding goodwill, which is assessed for impairment annually regardless of indicators and is not eligible for impairment reversals) in each reporting period to determine if any indicators of impairment or impairment reversal exist. When completing an impairment test, the Company calculates the estimated recoverable amount of CGUs, which requires management to make estimates and assumptions with respect to items such as future production

levels, operating and capital costs, long-term commodity prices, foreign exchange rates, discount rates, amounts of recoverable reserves, mineral resources and exploration potential and closure and environmental remediation costs. These estimates and assumptions are subject to risk and uncertainty, particularly in circumstances where there is limited operating history of the asset or CGU. Judgment is also required in determining the appropriate valuation method for mineralization and ascribing anticipated economics to mineralization in cases where only limited or no comprehensive economic study has been completed. Therefore, there is a possibility that changes in circumstances will have an impact on these projections, which may impact the recoverable amount of assets or CGUs. Accordingly, it is possible that some or the entire carrying amount of the assets or CGUs may be further impaired or the impairment charge reversed with the impact recognized in the consolidated statements of income.

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, 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 may change where such charges are determined using the units-of-production method or where the useful life of the related assets change;
- Capitalized stripping costs recognized in the consolidated balance sheets as either part of mining properties or as part of inventories or charged to income may change due to changes in the ratio of ore to waste extracted;
- Reclamation provisions may change where changes to the mineral reserve and mineral resource estimates affect expectations about when such activities will occur and the associated cost of these activities; and
- Mineral reserve and mineral resource estimates are used to calculate the estimated recoverable amounts of CGUs for impairment tests of goodwill and non-current assets.

Exploration and Evaluation Expenditures

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

Production Stage of a Mine

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

Contingencies

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

Reclamation Provisions

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

Income and Mining Taxes

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

Amortization

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

Leases

The Company applies judgment to determine the lease term for certain lease contracts that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which may significantly affect the amount of lease obligations and right-of-use assets recognized.

Development Stage Expenditures

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

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

- The level of geological certainty of the mineral deposit;
- Life of mine plans or economic models to support the economic extraction of reserves and mineral resources;

- A preliminary economic assessment, prefeasibility study or feasibility study that demonstrates the reserves and mineral resources will generate a positive commercial outcome;
- Reasonable expectations that operating permits will be obtained; and
- Approval by the Board of 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. to each acquire 50.0% of the shares of Osisko (now CMC) under the principles of IFRS 11 – Joint Arrangements. The Company concluded that the arrangement qualified as a joint operation upon considering the following significant factors:

- The joint operators are required to purchase all output from the investee and investee restrictions on selling the output to any third party;
- The parties to the arrangement are substantially the only source of cash flow contributing to the continuity of the arrangement; and
- If the selling price drops below cost, the joint operators are required to cover any obligations the Partnership cannot satisfy.

5. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period.

During the year ended December 31, 2020, 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 fair values of cash and cash equivalents, short-term investments, and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2020 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 11,867	$ –	$ 11,867
Equity securities (FVTOCI)	255,316	27,040	–	282,356
Fair value of derivative financial instruments	–	128,263	–	128,263
Total financial assets	$ 255,316	$ 167,170	$ –	$ 422,486
Financial liabilities:				
Fair value of derivative financial instruments	$ –	$ 904	$ –	$ 904
Total financial liabilities	$ –	$ 904	$ –	$ 904

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2019 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 8,320	$ –	$ 8,320
Equity securities (FVTOCI)	69,967	16,285	–	86,252
Other securities (FVTPL)	9,119	–	–	9,119
Fair value of derivative financial instruments	–	9,519	–	9,519
Total financial assets	$ 79,086	$ 34,124	$ –	$ 113,210

Valuation Techniques

Trade Receivables

Trade receivables from provisional invoices for concentrate sales are valued using quoted forward rates derived from observable market data based on the month of expected settlement (classified within Level 2 of the fair value hierarchy).

Equity and Other Securities

Equity securities representing shares of publicly traded entities are recorded at fair value using quoted market prices (classified within Level 1 of the fair value hierarchy). Equity securities representing shares of non-publicly traded entities are recorded at fair value using external broker-dealer quotations corroborated by option pricing models (classified within Level 2 of the fair value hierarchy). The Company also holds share purchase warrants of certain publicly traded entities where it has an investment in equity securities. Share purchase warrants are accounted for as derivative financial instruments (below) and presented as part of investments in the consolidated balance sheets.

Derivative Financial Instruments

Derivative financial instruments classified within Level 2 of the fair value hierarchy are recorded at fair value using external broker-dealer quotations corroborated by option pricing models or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs.

Fair Value of Financial Assets and Liabilities Not Measured and Recognized at Fair Value

Long-term debt is recorded on the consolidated balance sheets at December 31, 2020 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, 2020, the Company's long-term debt had a fair value of $1,824.3 million (2019 – $1,878.9 million). See Note 13.

Lease obligations are recorded on the consolidated balance sheets at December 31, 2020 at amortized cost. The fair value of lease obligations is the present value of the future lease payments discounted at the Company's current incremental borrowing rate. It is remeasured when there is a change in the lease term, future lease payments or changes in the assessment of whether the Company will exercise a purchase, extension or termination option. The fair value of lease obligations is not materially different from the carrying amounts as a result of the difference between the incremental borrowing rates used at the initial recognition date and the current market rates at December 31, 2020.

6. INVENTORIES

	As at December 31, 2020	As at December 31, 2019
Ore in stockpiles and on leach pads	$ 80,722	$ 82,192
Concentrates and dore bars	111,100	124,225
Supplies	438,652	373,651
Total current inventories	$ 630,474	$ 580,068
Non-current ore in stockpiles and on leach pads (Note 7B) [(i)]	198,044	145,675
Total inventories	$ 828,518	$ 725,743

Note:

(i) The inventory balance associated with the ore that is not expected to be processed within 12 months is classified as non-current and is recorded in the other assets line item in the consolidated balance sheets.

During the year ended December 31, 2020, a charge of $23.5 million (2019 – $13.2 million) was recorded within production costs to reduce the carrying value of inventories to their net realizable value.

7. OTHER ASSETS

A) Other Current Assets

	As at December 31, 2020	As at December 31, 2019
Federal, provincial and other sales taxes receivable	$ 67,666	$ 78,841
Prepaid expenses	72,502	70,986
Financial asset at FVTPL[(i)]	–	9,119
Other	19,044	20,272
Total other current assets	$ 159,212	$ 179,218

Note:

(i) During the year ended December 31, 2020, the Company sold its remaining financial asset classified as FVTPL. A realized loss on disposition of the asset of $0.2 million was recognized in the other expenses (income) line item in the consolidated statements of income during the year ended December 31, 2020.

B) Other Assets

	As at December 31, 2020	As at December 31, 2019
Non-current ore in stockpiles and on leach pads	$ 198,044	$ 145,675
Non-current prepaid expenses	26,945	18,035
Non-current loan receivable – Orla	21,247	4,551
Non-current other receivables	8,238	14,367
Other	4,780	2,240
Total other assets	$ 259,254	$ 184,868

On December 18, 2019, the Company entered into a loan agreement with Orla Mining Ltd. ("Orla") and a group of lenders to provide Orla with a five year credit facility in the principal amount of $125.0 million, to bear interest at 8.8% per annum payable quarterly, maturing on December 18, 2024 and collateralized by certain mining assets of Orla. The Company's aggregate financing commitment under the loan agreement is $40.0 million, of which $16.0 million was advanced in the year ended December 31, 2020 (2019 – $8.0 million). The remaining $16.0 million of the financing commitment is available to be drawn by Orla upon satisfaction of certain conditions precedent. In consideration for the funding commitment, the Company was issued 10,400,000 share purchase warrants of Orla, exercisable at a share price of C$3.00 per Orla common share at any time prior to December 18, 2026. The loan is accounted for at amortized cost using the effective interest rate method; the warrants are accounted for at FVTPL and included in the investments line item in the consolidated balance sheets.

8. PROPERTY, PLANT AND MINE DEVELOPMENT

	Mining Properties	Plant and Equipment	Mine Development Costs	Total
As at December 31, 2018	$ 1,775,063	$ 1,984,867	$ 2,474,372	$ 6,234,302
Additions	63,305	314,469	635,030	1,012,804
Impairment reversal (Note 23)	172,484	–	173,337	345,821
Disposals	(937)	(19,434)	–	(20,371)
Amortization	(152,160)	(300,027)	(116,704)	(568,891)
Transfers between categories	150,796	1,207,920	(1,358,716)	–
As at December 31, 2019	$ 2,008,551	$ 3,187,795	$ 1,807,319	$ 7,003,665
Additions	204,239	285,083	498,624	987,946
Disposals	–	(15,248)	–	(15,248)
Amortization	(180,007)	(348,993)	(121,945)	(650,945)
Transfers between categories	126,630	117,062	(243,692)	–
As at December 31, 2020	$ 2,159,413	$ 3,225,699	$ 1,940,306	$ 7,325,418
As at December 31, 2019				
Cost	$ 3,348,912	$ 6,182,372	$ 2,540,534	$ 12,071,818
Accumulated amortization and impairments	(1,340,361)	(2,994,577)	(733,215)	(5,068,153)
Carrying value – December 31, 2019	$ 2,008,551	$ 3,187,795	$ 1,807,319	$ 7,003,665
As at December 31, 2020				
Cost	$ 3,680,992	$ 6,528,830	$ 2,798,411	$ 13,008,233
Accumulated amortization and impairments	(1,521,579)	(3,303,131)	(858,105)	(5,682,815)
Carrying value – December 31, 2020	$ 2,159,413	$ 3,225,699	$ 1,940,306	$ 7,325,418

During the year ended December 31, 2020, net additions to Plant and Equipment included $9.7 million of right-of-use assets for lease arrangements entered into during the year (2019 – $46.8 million).

As at December 31, 2020, major assets under construction, and therefore not yet being depreciated, included in the carrying value of property, plant and mine development was $387.6 million (2019 – $244.9 million).

During the year ended December 31, 2020, the Company produced and sold pre-commercial production ounces of gold from the Barnat deposit at the Canadian Malartic mine, the Tiriganiaq open pit deposit at the Meliadine mine, and the IVR deposit at the Meadowbank Complex. The Company deducts revenues from mining operations earned prior to commercial production from the cost of the related property, plant and mine development. During the year ended December 31, 2020, the Company earned $59.2 million of pre-commercial production revenue (2019 – $91.1 million).

During the year ended December 31, 2020, the Company disposed of property, plant and mine development with a carrying value of $15.2 million (2019 – $20.4 million). The net loss on disposal of $14.2 million (2019 – $11.9 million) was recorded in the other expenses (income) line item in the consolidated statements of income.

Geographic Information:

	As at December 31, 2020	As at December 31, 2019
Canada	$ 5,166,239	$ 5,000,544
Finland	1,428,331	1,205,935
Sweden	13,812	13,812
Mexico	714,576	780,877
United States	2,460	2,497
Total property, plant and mine development	$ 7,325,418	$ 7,003,665

9. INVESTMENTS

	As at December 31, 2020	As at December 31, 2019
Equity securities	$ 282,356	$ 86,252
Share purchase warrants	92,747	4,984
Total investments	$ 375,103	$ 91,236

The following table sets out details of the Company's investments:

	As at December 31, 2020		
	Equity securities	**Share purchase warrants**	**Total investments**
Orla Mining Ltd.	$ 113,460	$ 47,329	$ 160,789
Rupert Resources Ltd.	65,461	39,280	104,741
White Gold Corp.	13,419	–	13,419
Royal Road Minerals Ltd.	12,801	–	12,801
Other[(i)]	77,215	6,138	83,353
Total investments	$ 282,356	$ 92,747	$ 375,103

	As at December 31, 2019		
	Equity securities	**Share purchase warrants**	**Total investments**
Orla Mining Ltd.	$ 27,125	$ 4,399	$ 31,524
White Gold Corp.	18,735	–	18,735
Other[(i)]	40,392	585	40,977
Total investments	$ 86,252	$ 4,984	$ 91,236

Note:

(i) The balance is comprised of 17 (2019 – 16) investments that are each individually immaterial.

Disposal of Equity Securities

There were no disposals of equity securities in the year ended December 31, 2020. During the year ended December 31, 2019, the Company sold its interest in certain equity securities as they no longer fit its investment strategy. The fair value at the time of sale was $7.8 million and the Company recognized a cumulative net gain on disposal of $2.1 million which was transferred from other reserves to deficit in the consolidated balance sheets.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2020	As at December 31, 2019
Trade payables	$ 167,127	$ 158,317
Wages payable	58,068	51,588
Accrued liabilities	95,860	102,957
Other liabilities	42,746	32,710
Total accounts payable and accrued liabilities	$ 363,801	$ 345,572

In 2020 and 2019, the other liabilities balance consisted primarily of various employee benefits, employee payroll tax withholdings and other payroll taxes.

11. 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, 2020 ranged between -0.10% and 0.92% (2019 – between 0.75% and 1.86%).

The following table reconciles the beginning and ending carrying amounts of the Company's asset retirement obligations. The settlement of the obligation is estimated to occur through to 2063.

	As at December 31, 2020	As at December 31, 2019
Asset retirement obligations – long-term, beginning of year	$ 419,417	$ 371,132
Asset retirement obligations – current, beginning of year	9,377	3,856
Current year additions and changes in estimate, net	198,843	36,032
Current year accretion	3,502	5,791
Liabilities settled	(1,892)	(3,839)
Foreign exchange revaluation	17,721	15,822
Reclassification from long-term to current, end of year	(11,320)	(9,377)
Asset retirement obligations – long-term, end of year	$ 635,648	$ 419,417

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 2031.

	As at December 31, 2020	As at December 31, 2019
Environmental remediation liability – long-term, beginning of year	$ 7,929	$ 9,615
Environmental remediation liability – current, beginning of year	3,078	1,555
Current year additions and changes in estimate, net	10,480	2,600
Liabilities settled	(1,539)	(3,269)
Foreign exchange revaluation	137	506
Reclassification from long-term to current, end of year	(3,950)	(3,078)
Environmental remediation liability – long-term, end of year	$ 16,135	$ 7,929

12. LEASES

The Company is party to a number of contracts that contain a lease, most of which include office facilities, storage facilities, and various plant and equipment. Leases of low value assets, short term leases and leases with variable payments proportional to the rate of use of the underlying asset do not give rise to a lease obligation and a right-of-use asset, and expenses are included in operating costs in the consolidated statements of income.

The following table sets out the carrying amounts of right-of-use assets included in property, plant and mine development in the consolidated balance sheets and the movements during the period:

	As at December 31, 2020	As at December 31, 2019
Balance, beginning of year	$ 117,581	$ 83,743
Additions and modifications, net of disposals	9,688	46,822
Amortization	(14,554)	(12,984)
Balance, end of year	$ 112,715	$ 117,581

The following table sets out the lease obligations included in the consolidated balance sheets:

	As at December 31, 2020	As at December 31, 2019
Current	$ 20,852	$ 14,693
Non-current	99,423	102,135
Total lease obligations	$ 120,275	$ 116,828

Future minimum lease payments required to meet obligations that have initial or remaining non-cancellable lease terms are set out in the table below. Because leases with variable lease payments do not give rise to fixed minimum lease payments, no amounts are included below for these leases.

	As at December 31, 2020	As at December 31, 2019
Within 1 year	$ 20,464	$ 16,641
Between 1 – 3 years	28,090	31,220
Between 3 – 5 years	17,846	19,189
Thereafter	57,301	62,587
Total undiscounted lease obligations	$ 123,701	$ 129,637

The Company recognized the following amounts in the consolidated statements of income with respect to leases:

	Year Ended December 31,	
	2020	2019
Amortization of right-of-use assets	$ 14,554	$ 12,984
Interest expense on lease obligations	$ 1,997	$ 1,909
Variable lease payments not included in the measurement of lease obligations	$ 117,317	$ 106,909
Expenses relating to short-term leases	$ 4,926	$ 3,595
Expenses relating to leases of low value assets, excluding short-term leases of low value assets	$ 792	$ 1,071

During the year ended December 31, 2020, the Company recognized $221.9 million (2019 – $215.7 million) in the consolidated statements of cash flows with respect to leases.

13. LONG-TERM DEBT

	As at December 31, 2020	As at December 31, 2019
Credit Facility[(i)(ii)]	$ (2,768)	$ (4,238)
2020 Notes[(i)(iii)]	198,505	–
2018 Notes[(i)(iii)]	348,145	347,974
2017 Notes[(i)(iii)]	298,454	298,238
2016 Notes[(i)(iii)]	348,790	348,527
2015 Note[(i)(iii)]	49,690	49,625
2012 Notes[(i)(iii)]	199,575	199,404
2010 Notes[(i)(iii)]	124,850	484,578
Total debt	$ 1,565,241	$ 1,724,108
Less: current portion	–	360,000
Total long-term debt	$ 1,565,241	$ 1,364,108

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, 2020 and December 31, 2019. The December 31, 2020 and December 31, 2019 balances relate to deferred financing costs which are being amortized on a straight-line basis until the maturity date of June 22, 2023.

(iii) The terms 2020 Notes, 2018 Notes, 2017 Notes, 2016 Notes, 2015 Note, 2012 Notes and 2010 Notes are defined below.

Scheduled Debt Principal Repayments

	2021	2022	2023	2024	2025	Thereafter	Total
2020 Notes	$ –	$ –	$ –	$ –	$ –	$ 200,000	$ 200,000
2018 Notes	–	–	–	–	–	350,000	350,000
2017 Notes	–	–	–	–	40,000	260,000	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	–	125,000	–	–	–	–	125,000
Total	$ –	$ 225,000	$ 100,000	$ 100,000	$ 90,000	$ 1,060,000	$ 1,575,000

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, 2020 and December 31, 2019, no amounts were outstanding under the Credit Facility. As at December 31, 2020, $1,199.1 million was available for future drawdown under the Credit Facility (December 31, 2019 – $1.2 billion). Credit Facility availability is reduced by outstanding letters of credit which were $0.9 million as at December 31, 2020 (2019 – nil). During the year ended December 31, 2020, Credit Facility drawdowns totaled $1,075.0 million and repayments totaled $1,075.0 million. During the year ended December 31, 2019, Credit Facility drawdowns totaled $220.0 million and repayments totaled $220.0 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 2.25% and through performance letters of credit, priced at the applicable rate plus a margin that ranges from 0.80% to 1.50%. The lenders under the Credit Facility are each paid a standby fee at a rate that ranges from 0.24% to 0.45% of the undrawn portion of the facility. In each case, the applicable margin or standby fees vary depending on the Company's credit rating or the Company's total net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio.

2020 Notes

On April 9, 2020, the Company closed a $200.0 million private placement of guaranteed senior unsecured notes (the "2020 Notes") with a weighted average maturity of 11 years and a weighted average yield of 2.83%.

The following table sets out details of the individual series of the 2020 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	100,000	2.78%	4/7/2030
Series B		100,000	2.88%	4/7/2032
Total	$	200,000		

2018 Notes

On April 5, 2018, the Company closed a $350.0 million private placement of guaranteed senior unsecured notes (the "2018 Notes")

The following table sets out details of the individual series of the 2018 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	45,000	4.38%	4/5/2028
Series B		55,000	4.48%	4/5/2030
Series C		250,000	4.63%	4/5/2033
Total	$	350,000		

2017 Notes

On June 29, 2017, the Company closed a $300.0 million private placement of guaranteed senior unsecured notes (the "2017 Notes").

The following table sets out details of the individual series of the 2017 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	40,000	4.42%	6/29/2025
Series B		100,000	4.64%	6/29/2027
Series C		150,000	4.74%	6/29/2029
Series D		10,000	4.89%	6/29/2032
Total	$	300,000		

2016 Notes

On June 30, 2016, the Company closed a $350.0 million private placement of guaranteed senior unsecured notes (the "2016 Notes").

The following table sets out details of the individual series of the 2016 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	100,000	4.54%	6/30/2023
Series B		200,000	4.84%	6/30/2026
Series C		50,000	4.94%	6/30/2028
Total	$	350,000		

2015 Note

On September 30, 2015, the Company closed a private placement of a $50.0 million guaranteed senior unsecured note (the "2015 Note") with a September 30, 2025 maturity date and a yield of 4.15%.

2012 Notes

On July 24, 2012, the Company closed a $200.0 million private placement of guaranteed senior unsecured notes (the "2012 Notes").

The following table sets out details of the individual series of the 2012 Notes:

		Principal	Interest Rate	Maturity Date
Series A	$	100,000	4.87%	7/23/2022
Series B		100,000	5.02%	7/23/2024
Total	$	200,000		

2010 Notes

On April 7, 2010, the Company closed a $600.0 million private placement of guaranteed senior unsecured notes (the "2010 Notes" and, together with the 2020 Notes, the 2018 Notes, the 2017 Notes, the 2016 Notes, the 2015 Note and the 2012 Notes, the "Notes").

On April 7, 2020 the Company repaid $360.0 million of the 2010 Series B 6.67% Notes at maturity.

As at December 31, 2020, $125.0 million of the 2010 Series C 6.77% Notes remained outstanding with a maturity date of April 7, 2022.

Covenants

Payment and performance of Agnico Eagle's obligations under the Credit Facility and the Notes are guaranteed by each of its material subsidiaries and certain of its other subsidiaries (the "Guarantors").

The Credit Facility contains covenants that limit, among other things, the ability of the Company to incur additional indebtedness, make distributions in certain circumstances and sell material assets.

The note purchase agreements pursuant to which the Notes were issued (the "Note Purchase Agreements") contain covenants that restrict, among other things, the ability of the Company to amalgamate or otherwise transfer its assets, sell material assets, carry on a business other than one related to mining and the ability of the Guarantors to incur indebtedness.

The Credit Facility and Note Purchase Agreements also require the Company to maintain a total net debt to EBITDA ratio below a specified maximum value and the Note Purchase Agreements (other than the 2018 and 2020 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 throughout the years-ended and as at December 31, 2020 and 2019.

13. LONG-TERM DEBT (Continued)

Finance Costs

Total finance costs consist of the following:

	Year Ended December 31,	
	2020	**2019**
Interest on Notes	$ 77,739	$ 91,147
Stand-by fees on credit facilities	5,107	5,862
Amortization of credit facilities financing and note issuance costs	3,594	2,800
Interest on Credit Facility	5,304	1,270
Accretion expense on reclamation provisions	3,502	5,715
Interest on lease obligations, other interest and penalties	2,684	2,336
Interest capitalized to assets under construction	(2,796)	(4,048)
Total finance costs	$ 95,134	$ 105,082

Total borrowing costs capitalized to assets under construction during the year ended December 31, 2020 were at a capitalization rate of 1.18% (2019 – 1.31%).

14. OTHER LIABILITIES

Other liabilities consist of the following:

	As at December 31, 2020	**As at December 31, 2019**
Pension benefit obligations	$ 49,822	$ 40,490
Other	13,514	20,512
Total other liabilities	$ 63,336	$ 61,002

Defined Benefit Obligations

The Company provides the Executives Plan for certain current and former senior officers and the Retirement Program for eligible employees in Canada, and the Mexico Plans for eligible employees in Mexico, which are 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, 2020. The plans operate under similar regulatory frameworks and generally face similar risks.

The Executives Plan pension formula is based on final average earnings in excess of the amounts payable from the registered plan. Assets for the Executives Plan consist of deposits on hand with regulatory authorities that are refundable when benefit payments are made or on the ultimate wind-up of the plan.

The Company provides a Retirement Program for certain eligible employees that provides a lump-sum payment upon retirement. The payment is based on age and length of service at retirement. An eligible employee is entitled to a benefit if they have completed at least 10 years of service as a permanent employee and are 57 years of age or older. The Retirement Program is not funded.

The Mexico Plans provide a lump-sum payment upon retirement. The payment is based on age and length of service at retirement. Eligible employees are entitled to a benefit if they have completed 15 years of service as a permanent employee and are 60 years of age or older. The Mexico Plans are not funded.

The funded status of the Company's defined benefit obligations for 2020 and 2019, is as follows:

	Year Ended December 31,	
	2020	**2019**
Reconciliation of plan assets:		
Plan assets, beginning of year	$ 2,594	$ 2,363
Employer contributions	2,800	862
Benefit payments	(2,570)	(643)
Administrative expenses	(115)	(109)
Interest on assets	77	93
Net return on assets excluding interest	(77)	(93)
Effect of exchange rate changes	59	121
Plan assets, end of year	$ 2,768	$ 2,594
Reconciliation of defined benefit obligation:		
Defined benefit obligation, beginning of year	$ 29,336	$ 23,032
Current service cost	12,827	1,020
Benefit payments	(2,570)	(672)
Interest cost	809	889
Actuarial losses arising from changes in economic assumptions	1,861	1,989
Actuarial losses arising from changes in demographic assumptions	882	2,033
Actuarial gains arising from Plan experience	(321)	(251)
Effect of exchange rate changes	1,281	1,296
Defined benefit obligation, end of year	44,105	29,336
Net defined benefit liability, end of year	$ 41,337	$ 26,742

The components of Agnico Eagle's pension expense recognized in the consolidated statements of net income relating to the defined benefit plans are as follows:

	Year Ended December 31,	
	2020	**2019**
Current service cost	$ 12,827	$ 1,020
Administrative expenses	115	109
Interest cost on defined benefit obligation	809	889
Interest on assets	(77)	(93)
Pension expense	$ 13,674	$ 1,925

The remeasurements of the net defined benefit liability recognized in other comprehensive income relating to the Company's defined benefit plans are as follows:

	Year Ended December 31,	
	2020	**2019**
Actuarial losses relating to the defined benefit obligation	$ 2,584	$ 3,771
Net return on assets excluding interest	77	93
Total remeasurements of the net defined benefit liability	$ 2,661	$ 3,864

In 2021, the Company expects to make contributions of $1.9 million and benefit payments of $3.7 million, in aggregate, related to the defined benefit plans. The weighted average duration of the Company's defined benefit obligation in Canada is 14.4 years at December 31, 2020 (2019 – 12.4 years). The weighted average duration of the Company's defined benefit obligation for the Mexico Plans is 3.7 years at December 31, 2020.

The following table sets out significant assumptions used in measuring the Company's Executives Plan defined benefit obligations:

	As at December 31, 2020	**As at December 31, 2019**
Assumptions:		
Discount rate – beginning of year	3.0%	3.8%
Discount rate – end of year	2.5%	3.0%

The following table sets out significant assumptions used in measuring the Company's Retirement Program defined benefit obligations:

	As at December 31, 2020	As at December 31, 2019
Assumptions:		
Discount rate – beginning of year	2.8%	3.5%
Discount rate – end of year	1.8%	2.8%
Range of mine closure dates	2026 – 2032	2026 – 2032
Termination of employment per annum	2.0% – 10.0%	0.5% – 3.3%

Other significant actuarial assumptions used in measuring the Company's Retirement Program defined benefit obligations as at December 31, 2020 and December 31, 2019 include assumptions of the expected retirement age of participants.

The following table sets out significant assumptions used in measuring the Company's defined benefit obligations for the Mexico Plans:

	As at December 31, 2020
Assumptions:	
Discount rate	5.5%
Range of mine closure dates	2023 – 2026

The following table sets out the effect of changes in significant actuarial assumptions on the Company's defined benefit obligations:

		As at December 31, 2020
Change in assumption:		
0.5% increase in discount rate	$	(1,764)
0.5% decrease in discount rate	$	1,915

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 obligations 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 two defined contribution plans – 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 2020, $13.6 million (2019 – $13.3 million) was contributed to the Basic Plan, $0.3 million of which related to contributions for key management personnel (2019 – $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 2020, the Company made $1.3 million (2019 – $1.5 million) in notional contributions to the Supplemental Plan, $1.2 million (2019 – $1.0 million) of which related to contributions for key management personnel. The Company's liability related to the Supplemental Plan is $11.5 million at December 31, 2020 (2019 – $11.5 million). At retirement date, the notional account balance is converted to a pension payable in five annual installments.

15. EQUITY

Common Shares

The Company's authorized share capital includes an unlimited number of common shares with no par value. As at December 31, 2020, Agnico Eagle's issued common shares totaled 243,301,195 (December 31, 2019 – 240,167,790), of which 416,881 common shares are held in trusts as described below (2019 – 548,755).

The common shares held in trusts relate to the Company's RSU plan, PSU plan and a Long Term Incentive Plan ("LTIP") for certain employees of the Partnership and CMC. The trusts have been evaluated under IFRS 10 – *Consolidated Financial Statements* and are consolidated in the accounts of the Company, with shares held in trust offset against the Company's issued shares in its consolidated financial statements. The common shares purchased and held in trusts are excluded from the basic net income per share calculations until they have vested. All of the non-vested common shares held in trusts are included in the diluted net income per share calculations, unless the impact is anti-dilutive.

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding as at December 31, 2020 were exercised:

Common shares outstanding at December 31, 2020	242,884,314
Employee stock options	3,421,404
Common shares held in trusts in connection with the RSU plan (Note 16C), PSU plan (Note 16D) and LTIP	416,881
Total	246,722,599

Net Income Per Share

The following table sets out the weighted average number of common shares used in the calculation of basic and diluted net income per share:

	Year Ended December 31,	
	2020	**2019**
Net income for the year	$ 511,607	$ 473,166
Weighted average number of common shares outstanding – basic (in thousands)	241,508	236,934
Add: Dilutive impact of common shares related to the RSU plan, PSU plan and LTIP	695	805
Add: Dilutive impact of employee stock options	869	491
Weighted average number of common shares outstanding – diluted (in thousands)	243,072	238,230
Net income per share – basic	$ 2.12	$ 2.00
Net income per share – diluted	$ 2.10	$ 1.99

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, 2020, nil (2019 – 3,750) employee stock options were excluded from the calculation of diluted net income per share as their impact would have been anti-dilutive.

16. STOCK-BASED COMPENSATION

A) Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the grant of stock options to directors, officers, employees and service providers to purchase common shares. Under the ESOP, stock options are granted at the fair market value of the underlying shares on the day prior to the date of grant. The number of common shares that may be reserved for issuance to any one person pursuant to stock options (under the ESOP or otherwise), warrants, share purchase plans or other arrangements may not exceed 5.0% of the Company's common shares issued and outstanding at the date of grant.

On April 24, 2001, the Compensation Committee of the Board adopted a policy pursuant to which stock options granted after that date have a maximum term of five years. In 2018, the shareholders approved a resolution to increase the number of common shares reserved for issuance under the ESOP to 35,700,000 common shares.

Of the 1,583,150 stock options granted under the ESOP in 2020, 395,164 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2025, vest in equal installments on each anniversary date of the grant over a three-year period. Of the 2,118,850 stock options granted under the ESOP in 2019, 527,975 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2024, vest in equal installments on each anniversary date of the grant over a three-year period. 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, 2020		Year Ended December 31, 2019	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	4,122,300	C$ 54.86	6,361,265	C$ 47.65
Granted	1,583,150	80.04	2,118,850	55.10
Exercised	(2,170,460)	56.33	(4,214,332)	44.05
Forfeited	(113,586)	63.88	(143,093)	56.47
Expired	–	–	(390)	28.03
Outstanding, end of year	3,421,404	C$ 65.27	4,122,300	C$ 54.86
Options exercisable, end of year	852,588	C$ 60.61	1,195,730	C$ 51.39

The average share price of Agnico Eagle's common shares during the year ended December 31, 2020 was C$87.92 (2019 – C$66.49).

The weighted average grant date fair value of stock options granted in 2020 was C$13.68 (2019 – C$10.44). The following table sets out information about Agnico Eagle's stock options outstanding and exercisable as at December 31, 2020:

	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$36.37 – C$58.04	2,113,592	2.45 years	C$ 56.13	699,588	1.98 years	C$ 56.35
C$79.98 – C$84.12	1,307,812	4.01 years	80.05	153,000	4.02 years	80.13
C$36.37 – C$84.12	3,421,404	3.05 years	C$ 65.27	852,588	2.35 years	C$ 60.61

The Company has reserved for issuance 3,421,404 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, 2020 was 3,602,050.

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,	
	2020	**2019**
Risk-free interest rate	1.90%	2.23%
Expected life of stock options (in years)	2.4	2.4
Expected volatility of Agnico Eagle's share price	27.5%	30.0%
Expected dividend yield	1.2%	1.2%

The Company uses historical volatility to estimate the expected volatility of Agnico Eagle's share price. The expected term of stock options granted is derived from historical data on employee exercise and post-vesting employment termination experience.

Compensation expense related to the ESOP amounted to $15.9 million for the year ended December 31, 2020 (2019 – $16.8 million). Of the total compensation expense for the ESOP, nil was capitalized as part of the property, plant and mine development line item of the consolidated balance sheets in the year ended December 31, 2020 (2019 – $0.7 million).

Subsequent to the year ended December 31, 2020, 1,590,750 stock options were granted under the ESOP, of which 397,688 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2026, vest in equal installments on each anniversary date of the grant over a three-year period.

B) Incentive Share Purchase Plan ("ISPP")

On June 26, 1997, the Company's shareholders approved the ISPP to encourage Participants to purchase Agnico Eagle's common shares at market value. In 2009, the ISPP was amended to remove non-executive directors as eligible Participants.

Under the ISPP, Participants may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each Participant's contribution. All common shares subscribed for under the ISPP are issued by the Company. The total compensation cost recognized in 2020 related to the ISPP was $6.9 million (2019 – $7.7 million).

In 2020, 351,086 common shares were subscribed for under the ISPP (2019 – 435,420) for a value of $20.7 million (2019 – $23.2 million). In May 2019, the Company's shareholders approved an increase in the maximum number of common shares reserved for issuance under the ISPP to 8,100,000 from 7,100,000. As at December 31, 2020, Agnico Eagle has reserved for issuance 870,369 common shares (2019 – 1,221,455) under the ISPP.

C) Restricted Share Unit ("RSU") Plan

In 2009, the Company implemented the RSU plan for certain employees. Effective January 1, 2012, the RSU plan was amended to include directors and senior executives of the Company as eligible participants.

A deferred compensation balance is recorded for the total grant date value on the date of each RSU plan grant. The deferred compensation balance is recorded as a reduction of equity and is amortized as compensation expense over the vesting period of up to three years.

In 2020, 307,732 (2019 – 409,100) RSUs were granted with a grant date fair value of $60.80 (2019 – $40.41). In 2020, the Company funded the RSU plan by transferring $18.7 million (2019 – $16.5 million) to an employee benefit trust that then purchased common shares of the Company in the open market. The grant date fair value of the RSUs generally approximates the cost of purchasing the shares in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding.

Compensation expense related to the RSU plan was $21.7 million in 2020 (2019 – $17.9 million). Compensation expense related to the RSU plan is included as part of the general and administrative line item in the consolidated statements of income.

Subsequent to the year ended December 31, 2020, 317,114 RSUs were granted under the RSU plan.

D) Performance Share Unit ("PSU") Plan

Beginning in 2016, the Company adopted a PSU plan for senior executives of the Company. PSUs are subject to vesting requirements over a three-year period based on specific performance measurements established by the Company. The fair value for the portion of the PSUs related to market conditions is based on the application of pricing models at the grant date and the fair value for the portion related to non-market conditions is based on the market value of the shares at the grant date. Compensation expense is based on the current best estimate of the outcome for the specific performance measurement established by the Company and is recognized over the vesting period based on the number of units estimated to vest.

In 2020, 170,500 (2019 – 196,500) PSUs were granted with a grant date fair value of $74.55 (2019 – $47.43). The Company funded the PSU plan by transferring $10.4 million (2019 – $8.0 million) to an employee benefit trust that then purchased common shares of the Company in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding. In 2020, the Company purchased an additional 159,610 shares to fulfill the payout of its 2018 and 2017 PSU grants. The Company funded the purchase by transferring $10.2 million to an employee benefit trust that then purchased common shares of the Company in the open market. The purchases were treated as treasury transactions and recognized directly in equity.

Compensation expense related to the PSU plan was $12.5 million in 2020 (2019 – $12.0 million). Compensation expense related to the PSU plan is included as part of the general and administrative line item in the consolidated statements of income.

Subsequent to the year ended December 31, 2020, 148,500 PSUs were granted under the PSU plan.

17. OTHER RESERVES

The following table sets out the movements in other reserves during the years ended December 31, 2020 and 2019:

		Equity securities reserve		Cash flow hedge reserve		Total
Balance at December 31, 2018	$	(58,095)	$	–	$	(58,095)
Net change in fair value		12,238		–		12,238
Transfer of gain on disposal of equity securities at FVTOCI to deficit		(2,065)		–		(2,065)
Balance at December 31, 2019	$	(47,922)	$	–	$	(47,922)
Net change in cash flow hedge reserve		–		(11,964)		(11,964)
Net change in fair value of equity securities at FVTOCI		145,138		–		145,138
Balance at December 31, 2020	$	97,216	$	(11,964)	$	85,252

The cash flow hedge reserve represents the settlement of an interest rate derivative related to the 2020 Notes. The reserve will be amortized over the term of the Notes. Amortization of the reserve is included in the finance costs line item in the consolidated statements of income.

18. 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, 2020, four customers each contributed more than 10.0% of total revenues from mining operations for a combined total of approximately 84.3% 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.

18. REVENUES FROM MINING OPERATIONS AND TRADE RECEIVABLES (Continued)

The following table sets out sales to individual customers that exceeded 10.0% of revenues from mining operations:

	Year Ended December 31,	
	2020	**2019**
Customer 1	$ 799,405	$ 600,171
Customer 2	798,698	504,763
Customer 3	628,940	344,534
Customer 4	419,499	335,755
Customer 5	–	329,804
Total sales to customers exceeding 10.0% of revenues from mining operations	$ 2,646,542	$ 2,115,027
Percentage of total revenues from mining operations	84.3%	84.8%

Trade receivables are recognized once the transfer of control for the metals sold has occurred and reflect the amounts owing to the Company in respect of its sales of concentrates to third parties prior to the satisfaction in full of the payment obligations of the third parties. As at December 31, 2020, the Company had $11.9 million (2019 – $8.3 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:

	Year Ended December 31,	
	2020	**2019**
Revenue from contracts with customers	$ 3,137,795	$ 2,496,878
Provisional pricing adjustments on concentrate sales	318	(1,986)
Total revenues from mining operations	$ 3,138,113	$ 2,494,892

The following table sets out the disaggregation of revenue by metal:

	Year Ended December 31,	
	2020	**2019**
Revenues from contracts with customers:		
Gold	$ 3,047,019	$ 2,392,739
Silver	73,904	73,297
Zinc	2,312	18,128
Copper	14,560	12,714

Total revenues from contracts with customers	$	3,137,795	$	2,496,878

In 2020, precious metals (gold and silver) accounted for 99.5% of Agnico Eagle's revenues from mining operations (2019 – 98.9%). The remaining revenues from mining operations consisted of net by-product metal revenues from non-precious metals.

19. CAPITAL AND FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, commodity price risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management policy is to support the delivery of the Company's financial targets while minimizing the potential adverse effects on the Company's performance.

Risk management is carried out by a centralized treasury department under policies approved by the Board. The Company's financial activities are governed by policies and procedures and its financial risks are identified, measured and managed in accordance with its policies and risk tolerance.

A) Market Risk

Market risk is the risk that changes in market factors, such as interest rates, commodity prices and foreign exchange rates, will affect the value of Agnico Eagle's financial instruments. The Company can choose to either accept market risk or mitigate it through the use of derivatives and other economic hedging strategies.

i. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations that have floating interest rates.

There is no impact on income before income and mining taxes or equity of a 1.0% increase or decrease in interest rates, based in financial instruments in place as at December 31, 2020.

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, 2020, there were no metal derivative positions.

b. Fuel

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of its diesel fuel costs (see Note 20 for further details on the Company's derivative financial instruments).

iii. ***Foreign Currency Risk***

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant foreign currency risk exposure. The Company enters into currency economic hedging transactions under the Board-approved Foreign Exchange Risk Management Policies and Procedures to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), which does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes (but is not limited to) the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes (see Note 20 for further details on the Company's derivative financial instruments).

The following table sets out the translation impact, based on financial instruments in place as at December 31, 2020, on income before income and mining taxes and equity for the year ended December 31, 2020 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.

	Positive (negative) 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	$ 27,855	$ (27,855)
Euro	$ 15,659	$ (15,659)
Mexican peso	$ 27,452	$ (27,452)

B) ***Credit Risk***

Credit risk is the risk that a third party might fail to fulfill its obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, short-term investments, trade receivables, loan receivable and certain derivative financial instruments. The Company holds its cash and cash equivalents and short-term investments in highly rated financial institutions resulting in a low level of credit risk. For trade receivables and derivative financial instruments, historical levels of default have been negligible, resulting in a low level of credit risk. The Company mitigates credit risk by dealing with recognized credit-worthy counterparties and limiting concentration risk. For derivative financial instrument liabilities, the Company assumes no credit risk when the fair value of an instrument is negative. The loan receivable extended to Orla is collateralized by pledged assets which

mitigates the level of credit risk. The maximum exposure to credit risk is equal to the carrying amount of the instruments as follows:

	As at December 31, 2020	As at December 31, 2019
Cash and cash equivalents	$ 402,527	$ 321,897
Short-term investments	3,936	6,005
Trade receivables	11,867	8,320
Derivative financial instrument assets	35,516	4,535
Loan receivable – Orla	21,247	4,551
Total	$ 475,093	$ 345,308

C) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds by monitoring its credit rating and projected cash flows taking into account the maturity dates of existing debt and other payables. The Company manages exposure to liquidity risk by maintaining cash balances, having access to undrawn credit facilities and access to public debt markets. Contractual maturities relating to lease obligations are set out in Note 12 and contractual maturities relating to long-term debt are set out in Note 13. Other financial liabilities have maturities within one year of December 31, 2020.

D) Capital Risk Management

The Company's primary capital management objective is to maintain an optimal capital structure to support current and long-term business activities and to provide financial flexibility in order to maximize value for equity holders.

Agnico Eagle's capital structure comprises a mix of lease financing, long-term debt, and total equity as follows:

	As at December 31, 2020	As at December 31, 2019
Lease obligations	$ 120,275	$ 116,828
Long-term debt	1,565,241	1,724,108
Total equity	5,683,213	5,111,514
Total	$ 7,368,729	$ 6,952,450

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 13 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, 2019	Changes from Financing Cash Flows	Foreign Exchange	Other[(i)]	As at December 31, 2020
Long-term debt	$ 1,724,108	(161,597)	–	2,730	$ 1,565,241
Lease obligations	116,828	(15,870)	9,628	9,689	120,275
Total liabilities from financing activities	$ 1,840,936	(177,467)	9,628	12,419	$ 1,685,516

Note:

(i) Includes the amortization of deferred financing costs on long-term debt reflected in finance costs and lease obligation additions.

20. 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, 2020, the Company had outstanding derivative contracts related to $1,188.0 million of 2021 and 2022 expenditures (December 31, 2019 – $252.0 million). The Company recognized mark-to-market adjustments in the gain on derivative financial instruments line item in the consolidated statements of income. The Company did not apply hedge accounting to these arrangements.

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 2020 and 2019 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, 2020 or December 31, 2019. The call option premiums were recognized in the gain on derivative financial instruments line item in the consolidated statements of income.

Commodity Price Risk Management

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of diesel fuel costs associated primarily with its Nunavut operations' diesel fuel exposure as it relates to operating costs. There were derivative financial instruments outstanding as at December 31, 2020 relating to 24.0 million gallons of heating oil (December 31, 2019 – 12.0 million). The related mark-to-market adjustments prior to settlement were recognized in the gain on derivative financial instruments line item in the consolidated statements of income. The Company did not apply hedge accounting to these arrangements.

Mark-to-market gains and losses related to heating oil derivative financial instruments are based on broker-dealer quotations that utilize period-end forward pricing to calculate fair value.

Share Purchase Warrants

The Company holds warrants to acquire equity securities of certain issuers in the mining industry. These warrants are not part of the Company's core operations, and accordingly, gains and losses from these investments are not representative of the Company's performance during the year. For the year ended December 31, 2020, the unrealized gain on warrants is primarily attributable to the increase in the share prices of Orla and Rupert Resources Ltd.

The following table sets out a summary of the amounts recognized in the gain on derivative financial instruments line item in the consolidated statements of income.

	Year Ended December 31,	
	2020	**2019**
Premiums realized on written foreign exchange call options	$ (1,779)	$ (1,693)
Realized loss on warrants	–	88
Unrealized gain on warrants	(82,003)	(2,325)
Realized loss (gain) on currency and commodity derivatives	5,988	(450)
Unrealized gain on currency and commodity derivatives	(30,079)	(12,744)
Gain on derivative financial instruments	$ (107,873)	$ (17,124)

Unrealized gains and losses on financial instruments that did not qualify for hedge accounting are recognized through the gain on derivative financial instruments line item of the consolidated statements of income and through the unrealized gain on warrants and the unrealized gain on currency and commodity derivatives line items of the consolidated statements of cash flows.

21. OTHER EXPENSES (INCOME)

The following table sets out amounts recognized in the other expenses (income) line item in the consolidated statements of income:

	Year Ended December 31,	
	2020	**2019**
Loss on disposal of property, plant and mine development (Note 8)	$ 14,182	$ 11,907
Interest income	(4,867)	(6,688)
Temporary suspension and other costs due to COVID-19	33,540	–
Other	5,379	(18,388)
Total other expenses (income)	$ 48,234	$ (13,169)

In response to an order by the Government of Quebec, issued on March 23, 2020 (the "Quebec Order"), to close all non-essential businesses as a result of the COVID-19 pandemic, the Company took steps to ramp down its mining and exploration activities in the Abitibi region of Quebec (the LaRonde, LaRonde Zone 5, Goldex and Canadian Malartic mines and exploration activities). Each of these sites and properties remained on temporary suspension until April 15, 2020, and minimal work took place during that time. The Company also temporarily reduced activities at the Meliadine mine and Meadowbank Complex in Nunavut, which are serviced out of Quebec, until June 2020.

On April 2, 2020, the Government of Mexico issued a decree (the "Decree") relating to the COVID-19 pandemic requiring that all non-essential businesses suspend operations. In response to the Decree mining operations at the Company's Mexico operations (Pinos Altos, Creston Mascota and La India mines) were ramped down. Most of the activity at these operations were suspended by the Company until May 18, 2020, with the exception of heap leaching activities at the Creston Mascota and La India mines.

Following the period of temporary suspension or reduced operations in Canada and Mexico, activities were sustained at or near normal levels throughout the remainder of 2020.

Temporary suspension and other costs due to the COVID-19 pandemic include primarily payroll and other incidental costs associated with maintaining the sites and properties, and payroll costs associated with employees who were not working during the period of reduced or suspended operations. These expenses also include payroll costs of employees who could not work following the period of temporary suspension or reduced operations due to the Company's effort to prevent or curtail community transmission of COVID-19, primarily in Nunavut.

All other costs incurred during the period of temporary suspension or reduced operations such as payroll costs associated with employees working remotely and performing their regular duties as well as direct and incremental costs of $7.2 million incurred to maintain the safety of employees and communities and adhere to the enhanced hygiene measures were recognized in the production, exploration and corporate development, and general and administrative line items in the consolidated statements of income.

22. SEGMENTED INFORMATION

Agnico Eagle operates in a single industry, namely exploration for and production of gold. The Company's primary operations are in Canada, Mexico and Finland. The Company identifies its reportable segments as those operations whose operating results are reviewed by the Chief Operating Decision Maker ("CODM"), the Chief Executive Officer for the purpose of allocating resources and assessing performance and that represent more than 10.0% of the combined revenue from mining operations, income or loss or total assets of all operating segments. Each of the Company's significant operating mines and projects are considered to be separate operating segments. Certain operating segments that do not meet the quantitative thresholds are still disclosed where the Company believes that the information is useful. The CODM also reviews segment income (defined as revenues from mining operations less production costs, exploration and corporate development expenses and impairment losses and reversals) on a mine-by-mine basis. The following are the Company's reportable segments organized according to their relationship with the Company's three business units and reflect how the Company manages its business and how it classifies its operations for planning and measuring performance:

Northern Business:	LaRonde mine, LaRonde Zone 5 mine, Lapa mine, Goldex mine, Meadowbank Complex, Meliadine mine, Canadian Malartic joint operation and Kittila mine
Southern Business:	Pinos Altos mine, Creston Mascota mine and La India mine
Exploration:	United States Exploration office, Europe Exploration office, Canada Exploration offices and Latin America Exploration office

Revenues from mining operations and production costs for the reportable segments are reported net of intercompany transactions.

22. SEGMENTED INFORMATION (Continued)

Corporate and other assets and specific income and expense items are not allocated to reportable segments.

	Year Ended December 31, 2020			
	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Segment Income (Loss)
Northern Business:				
LaRonde mine	$ 543,864	$ (169,824)	$ –	$ 374,040
LaRonde Zone 5 mine	111,244	(47,899)	–	63,345
Goldex mine	227,181	(82,654)	–	144,527
Meadowbank Complex	366,743	(284,976)	(1,168)	80,599
Meliadine mine	569,063	(245,700)	–	323,363
Canadian Malartic joint operation	478,542	(195,312)	(18,637)	264,593
Kittila mine	372,132	(169,884)	–	202,248
Total Northern Business	2,668,769	(1,196,249)	(19,805)	1,452,715
Southern Business:				
Pinos Altos mine	244,283	(124,678)	–	119,605
Creston Mascota mine	77,762	(35,088)	–	42,674
La India mine	147,299	(68,137)	–	79,162
Total Southern Business	469,344	(227,903)	–	241,441
Exploration	–	–	(93,687)	(93,687)
Segments totals	$ 3,138,113	$ (1,424,152)	$ (113,492)	$ 1,600,469
Total segments income				$ 1,600,469
Corporate and other:				
Amortization of property, plant and mine development				(631,101)
General and administrative				(116,288)
Finance costs				(95,134)
Gain on derivative financial instruments				107,873
Environmental remediation				(27,540)
Foreign currency translation loss				(22,480)
Other expenses				(48,234)
Income before income and mining taxes				$ 767,565

	Year Ended December 31, 2019				
	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Impairment Reversal	Segment Income (Loss)
Northern Business:					
LaRonde mine	$ 552,204	$ (215,012)	$ –	$ –	$ 337,192
LaRonde Zone 5 mine	80,365	(41,212)	–	–	39,153
Lapa mine	4,877	(2,844)	–	–	2,033
Goldex mine	197,020	(82,533)	–	–	114,487
Meadowbank Complex	221,652	(180,848)	(3,528)	–	37,276
Meliadine mine	270,258	(142,932)	–	345,821	473,147
Canadian Malartic joint operation	466,317	(208,178)	(189)	–	257,950
Kittila mine	260,323	(142,517)	–	–	117,806
Total Northern Business	2,053,016	(1,016,076)	(3,717)	345,821	1,379,044
Southern Business:					
Pinos Altos mine	249,577	(130,190)	–	–	119,387
Creston Mascota mine	78,023	(35,801)	–	–	42,222
La India mine	114,276	(65,638)	–	–	48,638
Total Southern Business	441,876	(231,629)	–	–	210,247
Exploration	–	–	(101,062)	–	(101,062)
Segments totals	$ 2,494,892	$ (1,247,705)	$ (104,779)	$ 345,821	$ 1,488,229
Total segments income					$ 1,488,229
Corporate and other:					
Amortization of property, plant and mine development					(546,057)
General and administrative					(120,987)
Finance costs					(105,082)
Gain on derivative financial instruments					17,124
Environmental remediation					(2,804)
Foreign currency translation loss					(4,850)
Other income					13,169
Income before income and mining taxes					$ 738,742

The following table sets out total assets by segment:

	As at December 31, 2020	As at December 31, 2019
Northern Business:		
LaRonde mine	$ 852,171	$ 794,503
LaRonde Zone 5 mine	71,545	66,553
Goldex mine	296,713	295,139
Meadowbank Complex	1,037,459	883,422
Meliadine mine	2,198,564	2,139,845
Canadian Malartic joint operation	1,542,916	1,548,564
Kittila mine	1,590,795	1,317,322
Total Northern Business	7,590,163	7,045,348
Southern Business:		
Pinos Altos mine	458,786	521,713
Creston Mascota mine	8,008	28,833
La India mine	228,120	264,498
Total Southern Business	694,914	815,044
Exploration	434,809	462,789
Corporate and other	894,869	466,704
Total assets	$ 9,614,755	$ 8,789,885

The following table sets out the carrying amount of goodwill by segment for the years ended December 31, 2020 and December 31, 2019:

	Canadian Malartic Joint Operation	Exploration	Total
Cost	$ 597,792	$ 60,000	$ 657,792
Accumulated impairment	(250,000)	–	(250,000)
Carrying amount	$ 347,792	$ 60,000	$ 407,792

The following table sets out capital expenditures by segment:

	Year Ended December 31,	
	2020	**2019**
Northern Business:		
LaRonde mine	$ 109,262	$ 81,831
LaRonde Zone 5 mine	9,823	8,441
Goldex mine	36,753	41,356
Meadowbank Complex	162,339	267,319
Meliadine mine	125,955	165,389
Canadian Malartic joint operation	52,642	83,051
Kittila mine	199,115	171,908
Total Northern Business	695,889	819,295
Southern Business:		
Pinos Altos mine	24,482	39,421
La India mine	21,626	13,881
Total Southern Business	46,108	53,302
Corporate and other	17,345	10,067
Total capital expenditures	$ 759,342	$ 882,664

The following table sets out revenues from mining operations by geographic area [(i)]:

	Year Ended December 31,	
	2020	**2019**
Canada	$ 2,296,637	$ 1,792,693
Mexico	469,344	441,876
Finland	372,132	260,323
Total revenues from mining operations	$ 3,138,113	$ 2,494,892

Note:

(i) Presented based on the location of the mine from which the product originated.

The following table sets out non-current assets by geographic area:

	As at December 31, 2020	As at December 31, 2019
Canada	$ 6,168,927	$ 5,571,885
Mexico	736,908	787,943
Finland	1,447,157	1,220,188
Sweden	13,812	13,812
United States	763	2,497
Total non-current assets	$ 8,367,567	$ 7,596,325

23. IMPAIRMENT

Goodwill impairment tests

Canadian Malartic Joint Operation

The estimated recoverable amount of the Canadian Malartic joint operation CGU as at December 31, 2020 and 2019 was determined on the basis of fair value less costs to dispose of the Canadian Malartic mine. The estimated recoverable amount of the Canadian Malartic mine was calculated by discounting the estimated future net cash flows over the estimated life of the mine, consisting of both open pit and underground operations, using a nominal discount rate of 6.40% (2019 – 5.00%). The recoverable amount calculation was based on an estimate of future production levels applying short-term gold prices of $1,800 to $1,900 per ounce and long-term gold prices of $1,500 per ounce (in real terms) (2019 – short-term gold prices of $1,400 to $1,500 and long term gold prices of $1,350), foreign exchange rates of US$0.78:C$1.00 (2019 – US$0.76:C$1.00 to US$0.80:C$1.00), an inflation rate of 2.0% (2019 – 2.0%), and capital, operating and reclamation costs based on applicable life of mine plans. Certain mineralization was valued by a cashflow extension approach where the mineralization is expected to have sufficiently similar economics to the mineralization of the Canadian Malartic mine.

At December 31, 2020 and 2019, the Canadian Malartic joint operation segment estimated recoverable amount exceeded its carrying amount. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

CMC Exploration Assets

As a result of the acquisition of the additional 50.0% of the CMC Exploration Assets on March 28, 2018, the Company separated the CMC Exploration Assets from the Canadian Malartic joint operation into a distinct goodwill test performed for the Exploration segment as at December 31, 2020 and 2019. The estimated recoverable amount of the CMC Exploration Assets CGU was calculated by reference to comparable market transactions or by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 8.10% (2019 – 7.80%). The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,500 per ounce (in real terms) (2019 – $1,350), foreign exchange rates of US$0.78:C$1.00 (2019 – US$0.76:C$1.00 to US$0.80:C$1.00), an inflation rate of 2.0% (2019 – 2.0%), and capital, operating and reclamation costs based on applicable life of mine plans. At December 31, 2020 and 2019, the CMC Exploration Assets CGU estimated recoverable amount exceeded its carrying amount.

Impairment reversal

In 2020, the Company did not identify any indicators of impairment reversal on long-lived assets.

In 2019, the Meliadine mine achieved commercial production upon the completion of a two-year construction period that was characterized by higher risk due to uncertainty of completing the project according to plan, on time and within allocated capital plan. Subsequent to the commercial production, which was achieved ahead of schedule, the Company continued to ramp up the mine for a period of time and observed that the asset performed within expectations, resulting in a reduction of the specific risk premium embedded in the calculation of the discount rate previously applied in the calculation of the recoverable amount. The reduced risk premium in conjunction with other factors that steadily improved over time, including the updated life of mine plans, long-term gold prices and increased geological confidence with respect to certain mineralization, represented an observable indication that the recoverable amount of the CGU had significantly increased. There is significant judgement involved in the determination of whether a previously recognized impairment loss should be reversed.

The estimated recoverable amount of the Meliadine mine CGU as at December 31, 2019 was determined on the basis of fair value less costs to dispose and calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 5.10%. The recoverable amount calculation was based on an estimate of future production levels applying short-term gold prices of $1,400 to $1,500 per ounce and long-term gold prices of $1,350 per ounce (in real terms), an inflation rate of 2.0%, and capital, operating and reclamation costs based on applicable life of mine plans. As the Meliadine mine CGU's estimated recoverable amount exceeded the previous carrying amount less amortization that would have been recognized had the assets not been impaired, an impairment reversal of $345.8 million ($223.4 million net of tax) was recognized in the impairment reversal line item in the consolidated statements of income. This impairment reversal in 2019, in combination with an impairment reversal recognized in 2016 of $83.0 million ($53.6 million net of tax), represented the full reversal of prior impairment allocated to long-lived assets, as adjusted for amortization. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

Key Assumptions

The determination of the recoverable amount with level 3 input of the fair value hierarchy, includes the following key applicable assumptions:

- Discount rates were based on each asset group's weighted average cost of capital, of which the two main components are the cost of equity and the after-tax cost of debt. Cost of equity was calculated based on the capital asset pricing model, incorporating the risk-free rate of return based on local government marketable bond yields as at the valuation date, the Company's beta coefficient adjustment to the market equity risk premium based on the volatility of the Company's return in relation to that of a comparable market portfolio, plus a size premium and Company-specific risk factor. Cost of debt was determined by applying an appropriate market indication of the Company's borrowing capabilities and the corporate income tax rate applicable to each asset group's jurisdiction;

- Gold price estimates were determined using forecasts of future prices prepared by industry analysts, which were available as at or close to the valuation date;

- Foreign exchange estimates are based on a combination of currency forward curves and estimates that reflect the outlooks of major global financial institutions;

- Estimated production levels, and future operating and capital costs are based on detailed life of mine plans and also take into account management's expected development plans; and

- Estimates of the fair value attributable to mineralization in excess of life of mine plans are based on various assumptions, including determination of the appropriate valuation method for mineralization and ascribing anticipated economics to mineralization in cases where only limited economic study has been completed.

24. INCOME AND MINING TAXES

Income and mining taxes expense is made up of the following components:

	Year Ended December 31,	
	2020	**2019**
Current income and mining taxes	$ 180,202	$ 112,981
Deferred income and mining taxes:		
Origination and reversal of temporary differences	75,756	152,595
Total income and mining taxes expense	$ 255,958	$ 265,576

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,	
	2020	**2019**
Combined federal and composite provincial tax rates	26%	26%
Expected income tax expense at statutory income tax rate	$ 199,568	$ 192,073
Increase (decrease) in income and mining taxes resulting from:		
Mining taxes	94,511	92,200
Impact of foreign tax rates	(7,471)	(14,915)
Permanent differences	(19,197)	(2,450)
Impact of foreign exchange on deferred income tax balances	(11,453)	(1,332)
Total income and mining taxes expense	$ 255,958	$ 265,576

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

	As at December 31, 2020	As at December 31, 2019
Mining properties	$ 1,390,600	$ 1,293,863
Net operating and capital loss carry forwards	(100,026)	(167,139)
Mining taxes	(90,706)	(71,507)
Reclamation provisions and other liabilities	(163,807)	(107,075)
Total deferred income and mining tax liabilities	$ 1,036,061	$ 948,142

	As at December 31, 2020	As at December 31, 2019
Deferred income and mining tax liabilities – beginning of year	$ 948,142	$ 796,708
Income and mining tax impact recognized in net income	76,197	152,006
Income tax impact recognized in other comprehensive income and equity	11,722	(572)
Deferred income and mining tax liabilities – end of year	$ 1,036,061	$ 948,142

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, 2020	As at December 31, 2019
Net capital loss carry forwards	$ –	$ 56,003
Other deductible temporary differences	214,520	296,425
Unrecognized deductible temporary differences and unused tax losses	$ 214,520	$ 352,428

The Company had previously unused tax credits of $12.7 million as at December 31, 2019 for which a deferred tax asset has not been recognized. The unused tax credits expired on December 31, 2020.

The capital loss carry forwards have been recognized as a deferred tax asset as at December 31, 2020. The capital loss carry forwards and other deductible temporary differences have no expiry date.

The Company has $411.4 million (2019 – $276.8 million) of taxable temporary differences associated with its investments in subsidiaries for which deferred income tax has not been recognized, as the Company is able to control the timing of the reversal of the taxable temporary differences and it is probable that they will not reverse in the foreseeable future.

The Company is subject to taxes in Canada, Mexico and Finland, each with varying statutes of limitations. Prior taxation years generally remain subject to examination by applicable taxation authorities.

25. EMPLOYEE BENEFITS AND COMPENSATION OF KEY MANAGEMENT PERSONNEL

During the year ended December 31, 2020, employee benefits expense recognised in the statements of income was $657.0 million (2019 – $636.8 million). In 2020 and 2019, 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,	
	2020	**2019**
Salaries, short-term incentives and other benefits	$ 16,964	$ 14,553
Post-employment benefits	1,634	1,579
Share-based payments	28,631	24,130
Total	$ 47,229	$ 40,262

26. 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, 2020, the total amount of these guarantees was $482.9 million.

Certain of the Company's properties are subject to royalty arrangements. Set out below are the Company's most significant royalty arrangements related to operating mines:

- The Company has a royalty agreement with the Finnish government relating to the Kittila mine. Starting 12 months after the Kittila mine's operations commenced, the Company has been required to pay 2.0% net smelter return royalty, defined as revenue less processing costs.
- The Partnership is committed to pay a royalty on production or metal sales from certain properties in Quebec, Canada. The type of royalty agreements include, but are not limited to, net smelter return royalties, with percentages ranging from 1.5% to 5.0%.
- The Company is committed to pay a 5.0% net profits interest royalty on production from the Terrex property at the LaRonde mine in Quebec, Canada.
- The Company is committed to pay a 2.0% net smelter return royalty on the metal sales from the LaRonde Zone 5 mine in Quebec, Canada.
- The Company is committed to pay a 1.2% net smelter return royalty on sales from the Meliadine mine in Nunavut, Canada.

- The Company is committed to two royalty arrangements on production from the Amaruq satellite deposit at the Meadowbank Complex in Nunavut, Canada, a 1.4% net smelter return royalty and a 12.0% net profits interest royalty.

- The Company is committed to pay a royalty on production from certain properties in Mexico. The type of royalty agreements include, but are not limited to, net smelter return royalties, with percentages ranging from 2.5% to 3.5% at the Pinos Altos and Creston Mascota mines and 0.5% at the La India mine.

The Company regularly enters into various earn-in and shareholder agreements, often with commitments to pay net smelter return and other royalties.

The Company had the following contractual commitments as at December 31, 2020, of which $69.5 million related to capital expenditures:

		Contractual Commitments
2021	$	96,146
2022		10,672
2023		5,629
2024		2,553
2025		2,496
Thereafter		4,206
Total	$	121,702

27. SUBSEQUENT EVENTS

Dividends Declared

On February 11, 2021, Agnico Eagle announced that the Board approved the payment of a quarterly cash dividend of $0.35 per common share (a total value of approximately $84.9 million), payable on March 22, 2021 to holders of record of the common shares of the Company on March 1, 2021.

Acquisition of TMAC Resources Inc. ("TMAC")

On February 2, 2021, the Company completed the purchase of all the issued and outstanding shares of TMAC which owns and operates the Hope Bay mine, and also owns exploration properties in the Kitimeot region of Nunavut. The shares were acquired for approximately $226.0 million in cash consideration (C$2.20 per share). In connection with the transaction, TMAC's outstanding debt of $134.0 million was extinguished. The acquisition also triggered a one-time option to buy-back a 1.5% net smelter return royalty on Hope Bay from Maverix Metals Inc. which was purchased for $50.0 million. The Company is currently performing procedures to estimate the fair value of identifiable tangible and intangible assets acquired and liabilities assumed and to allocate the purchase price in the TMAC transaction, and will record the initial fair value estimates in the first quarter of 2021.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
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AGNICO EAGLE MINES LIMITED CONSOLIDATED STATEMENTS OF CASH FLOWS (thousands of United States dollars)

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Exhibit 99.3

Management's Discussion and Analysis

For the year ended December 31, 2020

(Prepared in accordance with International Financial Reporting Standards)



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This Management's Discussion and Analysis ("MD&A") dated March 26, 2021 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, 2020 that were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") (the "Annual Financial Statements"). The Annual 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, 2020 (the "AIF"), is available on the Canadian Securities Administrators' (the "CSA") SEDAR website at www.sedar.com and on the United States Securities and Exchange Commission's (the "SEC") website at www.sec.gov.

NOTE TO INVESTORS CONCERNING FORWARD-LOOKING INFORMATION

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

- statements regarding the impact of the COVID-19 pandemic and measures taken to reduce the spread of COVID-19 on the Company's future operations, including its employees and business;
- the Company's outlook for 2021 and and future periods, including metal production, estimated ore grades, recovery rates, project timelines, drilling results, life of mine estimates, total cash costs per ounce, all-in sustaining costs per ounce, minesite costs per tonne, other expenses, cash flows;
- statements regarding future earnings and the sensitivity of earnings to gold and other metal prices;
- estimated timing and conclusions of technical studies and evaluations;
- the methods by which ore will be extracted or processed;
- statements concerning the Company's expansion plans at Kittila, Meliadine Phase 2, the Amaruq underground project and the Odyssey project, including the timing, funding, completion and commissioning thereof and production therefrom;
- statements about the Company's plans at the Hope Bay mine;
- statements concerning other expansion projects, recovery rates, mill throughput, optimization and projected exploration, including costs and other estimates upon which such projections are based;
- statements regarding timing and amounts of capital expenditures, other expenditures and other cash needs, and expectations as to the funding thereof;
- estimates of future mineral reserves, mineral resources, mineral production and sales;
- the projected development of certain ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect to such exploration, development and production;
- estimates of mineral reserves and mineral resources and and their sensitivities to gold prices and other factors, ore grades and mineral recoveries and statements regarding anticipated future exploration results;
- statements regarding the Company's ability to obtain the necessary permits and authorizations in connection with its proposed or current exploration, development and mining operations and the anticipated timing thereof;
- statements regarding anticipated future exploration;
- the anticipated timing of events with respect to the Company's mine sites;
- statements regarding the sufficiency of the Company's cash resources;
- statements regarding future activity with respect to the Company's unsecured revolving bank credit facility;
- statements regarding anticipated trends with respect to the Company's operations, exploration and the funding thereof.
- 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 costs and other liabilities for environmental remediation; and
- statements regarding anticipated legislation and regulations, including with respect to climate change, and estimates of the impact on the Company;

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 material factors and assumptions of Agnico Eagle upon which the forward-

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

The forward-looking statements in this MD&A reflect the Company's views as at the date of this MD&A and involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, the risk factors set out in "Risk Factors" in our most recent Form 40-F/AIF on file with the SEC and Canadian provincial securities regulatory authorities. Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based.

Unless otherwise expressly stated, milestones set out in this MD&A have not been based on a technical report under NI 43-101 (as defined below).

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

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

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

For United States reporting purposes, the SEC has adopted amendments to its disclosure rules (the "SEC Modernization Rules") to modernize the mining property disclosure requirements for issuers whose securities are registered with the SEC under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), which became effective February 25, 2019. The SEC Modernization Rules more closely align the SEC's disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards, including NI 43-101, and replace the historical property disclosure requirements for mining registrants that were included in Guide 7. Issuers must begin to comply with the SEC Modernization Rules in their first fiscal year beginning on or after January 1, 2021, though Canadian issuers that report in the United States using the Multijurisdictional Disclosure System ("MJDS") may still use NI 43-101 rather than the SEC Modernization Rules when using the SEC's MJDS registration statement and annual report forms. Guide 7 will remain effective until all issuers are required to comply with the SEC Modernization Rules, at which time Guide 7 will be rescinded.

As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended the

definitions of "proven mineral reserves" and "probable mineral reserves" in the SEC Modernization Rules, with definitions that are substantially similar to those used in NI 43-101.

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

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

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

NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE

This MD&A discloses certain measures, including "total cash costs per ounce", "all-in sustaining costs per ounce", "minesite costs per tonne" "adjusted net income" and "operating margin" that are not recognized measures under IFRS. These measures may not be comparable to similar measures reported by other gold mining companies. For a reconciliation of these measures to the most directly comparable financial information presented in the Annual Financial Statements prepared in accordance with IFRS, and for an explanation of how management uses these measures, see Non-GAAP Financial Performance Measures in this MD&A.

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

All-in sustaining costs per ounce is used to show the full cost of gold production from current operations. The Company calculates all-in sustaining costs per ounce of gold produced on a by-product basis as the aggregate of total cash costs per ounce on a by-product basis, sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock option expense), lease payments related to sustaining assets and reclamation expenses, and then dividing by the number of ounces of gold produced. The all-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as the all-in sustaining costs per ounce of gold produced on a by-product basis, except that the total cash costs per ounce on a co-product basis is used, meaning no adjustment is made for by-product metal revenues. The Company's methodology for calculating all-in sustaining costs per ounce may differ from the methodology used by other gold mining companies that disclose all-in sustaining costs per ounce. The Company may change the methodology it uses to calculate all-in sustaining costs per ounce in the future. Unless otherwise specified, all references to all-in sustaining costs per ounce in this MD&A are to all-in sustaining costs per ounce reported on a by-product basis.

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

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

Adjusted net income is calculated by adjusting the net income as recorded in the consolidated statements of income (loss) for foreign currency translation gains and losses, mark-to-market adjustments, non-recurring gains and losses and unrealized gains and losses on financial instruments. Management uses adjusted net income to evaluate the underlying operating performance of the Company and to assist with the planning and forecasting of future operating results. Management believes that adjusted net income is a useful measure of performance because foreign currency translation gains and losses, mark-to-market adjustments, non-recurring gains and losses and unrealized gains and losses on financial instruments do not reflect the underlying operating performance of the Company and may not be indicative of future operating results.

Operating margin is calculated by adjusting net income (loss) as recorded in the consolidated financial statements for income and mining taxes expense, other expenses (income), foreign currency translation (gain) loss, impairment reversal (loss), environmental remediation, loss (gain) on derivative financial instruments, finance costs, general and administrative expenses, amortization of property, plant and mine development and exploration and corporate development expenses. The Company believes that operating margin is a useful measure that reflects the operating performance of its mines associated with the ongoing production and sale of gold and by-product metals. Management uses this measure internally to plan and forecast future operating results. This measure is intended to provide investors with additional information about the Company's underlying operating results and should be evaluated in conjunction with net income (loss) and 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. The Company, from time to time, also provides information as to estimated future total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne. Such estimates are based upon the total cash costs per ounce, all-in sustaining costs per ounce and minesite costs per tonne that the Company expects to incur to mine gold at its mines and projects and, consistent with the reconciliation of these actual costs referred to above, do not include production costs attributable to accretion expense and other asset retirement costs, which will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-GAAP financial measures to the most comparable IFRS measure.

Unless otherwise indicated herein all references to total cash costs per ounce and all-in sustaining costs per ounce refer to such measures as calculated on a by-product basis. For information regarding these measures as calculated on a co-product basis, please see "Non-GAAP Financial Performance Measures".

Payable production (a non-GAAP non-financial performance measure) is the quantity of mineral produced during a period contained in products that have been or will be sold by the Company, whether such products are sold during the period or held as inventories at the end of the period.

Executive Summary

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since its formation in 1972. The Company's mines are located in Canada, Mexico and Finland, with exploration and development activities in Canada, Europe, Latin America and the United States. The Company and its shareholders have full exposure to gold prices due to its long-standing policy of no forward gold sales. Agnico Eagle has declared a cash dividend every year since 1983.

Agnico Eagle earns a significant proportion of its revenue and cash flow from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of by-product metals, primarily silver, zinc and copper. In 2020, Agnico Eagle recorded production costs per ounce of gold of $838[(i)] and total cash costs per ounce of gold produced of $775 [(i)] on a by-product basis and $838[(i)] on a co-product basis on payable production of 1,736,568 ounces of gold. The average realized price of gold increased by 27.2% from $1,406 per ounce in 2019 to $1,788 per ounce in 2020.

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 production of 1,736,568 ounces of gold and production costs per ounce of gold of $838[(i)] during 2020.
- Total cash costs per ounce of gold produced of $775 [(i)] on a by-product basis and $838 [(i)] on a co-product basis in 2020.
- All-in sustaining costs per ounce of gold produced of $1,051 [(i)] on a by-product basis and $1,114 [(i)] on a co-product basis in 2020.
- Proven and probable gold reserves totaled 24.1 million ounces at December 31, 2020, a 11.6% increase compared with 21.6 million ounces at December 31, 2019 with a decrease in the gold reserve grade by 24.0%.
- As at December 31, 2020, Agnico Eagle had strong liquidity with $406.5 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 2021, the Company declared a quarterly cash dividend of $0.35 per common share. The quarterly dividend was increased by $0.15 per share, or approximately 75%, for the dividend paid in the fourth quarter of 2020. Agnico Eagle has 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 on *performance* and growth expectations: Ensure our existing portfolio delivers on expectations, lowers operational risk and generates free cash flow;
- Build and maintain a high-quality project *pipeline*: Ensure we develop a best-in-class project pipeline to replenish reserves and production, while maintaining the quality, manageability and fit of our future portfolio;

Note:

(i) Excludes 36,416 ounces of payable production of gold associated with the Barnat deposit at the Canadian Malartic mine, the IVR deposit at the Meadowbank Complex and the Tiriganiaq open pit deposit at the Meliadine mine which were produced prior to the achievement of commercial production at such sites.

- Develop our *people*: Develop and provide growth opportunities for our people and provide the skills infrastructure to support the development of our operations and projects;

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 operating in a safe and environmentally responsible manner, as we contribute to the prosperity of our people, their families and the communities in which we operate.

Portfolio Overview

Northern Business

Canada – LaRonde Complex

The 100% owned LaRonde Complex in northwestern Quebec, includes the LaRonde mine and the LaRonde Zone 5 mine ("LZ5"). The LaRonde mine is the Company's oldest mine and achieved commercial production in 1988. In 2003, the Company acquired LZ5, which lies adjacent to and west of the LaRonde mine and was exploited by open pit mining by its previous operator. The LZ5 mine achieved commercial production in June 2018.

LaRonde Mine

The LaRonde mine extension, the portion of the mine below level 245, achieved commercial production in December 2011, and under current mine plans is expected to be in production through 2030.

Mining activities in the West mine area progressed ahead of schedule in the fourth quarter of 2020. The West mine area contributed approximately 19% of the tonnage mined at the LaRonde Complex, operating at an average rate of 1,421 tonnes per day ("tpd"), exceeding the forecast of 1,150 tpd. The ore extracted from this area was higher grade than anticipated, leading the strong gold production performance from the Complex. In 2021, the West mine area is expected to contribute approximately 15% of the ore mined and 21% of the gold produced at the LaRonde Complex.

The good performance at the LaRonde mine is partially a result of the automation strategy that has helped to improve productivity and allow continuation of mucking activities during non-entry protocols related to seismicity. In 2020, 13% of tonnes mucked from stopes at the LaRonde mine were done in automation mode. In December 2020, a record 39% of the production mucking at the LaRonde mine was done using automated methods, which included 100% of the production mucking from the West mine area. At LZ5, in 2020, 14% of tonnes mucked and hauled to surface were accomplished in automated mode with operators based on surface. The target for 2021 is to muck over 17% of the total tonnage for the LaRonde Complex using automated methods. Work is also ongoing to perform production drilling using automation.

Infrastructure continues to be developed to provide further access to mine LaRonde 3 (below level 311). Construction of the level 308 East mine cooling plant was completed in December 2020 and will be commissioned in the first quarter of 2021.

At Zone LR11-3 (which is at the past producing Bousquet 2 mine), development from level 146 of the LaRonde mine continues on schedule and dewatering of the previously mined area is ongoing. The zone is expected to be reached in the second half of 2021 and production activities are expected to begin in 2022.

The LaRonde mine's proven and probable mineral reserves were approximately 3.0 million ounces at December 31, 2020.

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 deposit. Commercial production at LZ5 was achieved in June 2018 and under current mine plans, is expected to be in production through 2029.

The successful implementation of automated mining techniques at the LZ5 mine has resulted in a consistent improvement in productivity. In 2020, the target of 15% of the tonnage mucked and hauled remotely to surface was achieved. In the fourth quarter of 2020, the LZ5 production rate was 2,987 tpd, essentially meeting the targeted rate of 3,000 tpd. For 2021, it is expected that 17% of the tonnage will be mucked and hauled remotely to surface and the production rate is expected to be sustained at approximately 3,000 tpd. The LZ5 automation team will continue optimizing the automated mining techniques.

Given the success in mining the upper portions of the LZ5 deposit (from surface to 330 metres), the extension of mining activities to a depth of 650 metres has been approved, resulting in the addition of 272,000 ounces of gold to the LZ5 mineral reserves at year end 2020. With this addition, the LZ5 mine is expected to maintain a production rate of approximately

3,000 tpd through 2029. The Company is also evaluating the potential to mine portions of the neighbouring Ellison property from the LZ5 underground infrastructure.

The LZ5 mine's proven and probable mineral reserves were approximately 0.8 million ounces at December 31, 2020.

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 2030 under current mine plans.

The Goldex mine delivered strong performance in the fourth quarter of 2020 with record ore production since its restart in 2013. Daily mill throughput averaged in excess of 8,000 tpd and higher grade stopes were mined as per plan. Following seismic activities in December 2020, improvements were made to ground support installation and protocols.

The Rail-Veyor operating hours increased due to the availability of the new maintenance bay and resulted in an average hauling rate of 6,879 tpd in the fourth quarter of 2020, close to its 7,000 tpd design capacity. The good performance of the Rail-Veyor was a determining factor in the strong quarterly production from the Deep 1 Zone and throughput at the mill. In the fourth quarter of 2020, the Rail-Veyor system reached a milestone with 5.0 million tonnes hauled since its commissioning.

The development pace of the South Zone remained high in the fourth quarter of 2020 as the Company prioritized lateral development over stoping. This resulted in a lower mining rate at approximately 423 tpd compared to the forecast of 550 tpd. The majority of the development has now been completed and production levels are expected to increase from the South Zone in the first quarter of 2021. The Company continues to evaluate the potential for the South Zone to provide additional incremental ore feed and grade flexibility to the Goldex mill.

The Goldex mine's proven and probable mineral reserves were approximately 1.1 million ounces at December 31, 2020.

Canada – Meadowbank Complex

In 2007, the Company acquired Cumberland Resources Ltd., which held a 100% interest in the Meadowbank gold project in Nunavut, Canada. Commercial production was achieved at the Meadowbank mine in March 2010. Mining operations at the Meadowbank site ceased in 2019, but the Meadowbank mill and other infrastructure remain active in support of the Amaruq satellite deposit.

The 100% owned Amaruq satellite deposit is located approximately 50 kilometres northwest of the Meadowbank mine and was identified by the Company in 2013. In 2016, the Company approved the project for development. Commercial production was achieved at the Amaruq satellite deposit in September 2019 and under current mine plans, is expected to be in production through 2026.

In the fourth quarter of 2020, the open pit continued to show consistent improvement and achieved record quarterly production of approximately 3.8 million tonnes mined per month. Strong performance was also achieved in production drilling at both the IVR and Whale Tail pits, which resulted in a significant increase in total broken ore inventory. The good availability of the production fleet (due to improved maintenance in 2020), the optimization of the equipment dispatch, the commissioning of two new 777D haul trucks and two new 650 Sandvik drills and the increased face availability in the pit were determining factors for the strong operational performance. Mining activities are expected to remain at similar levels in 2021.

Improving the reliability of the long-haul truck ("LHT") fleet remains a focus. Good road conditions, reliability improvements, the addition of four new LHTs and a favourable caribou migration in the fall of 2020 allowed for effective utilization of the LHT fleet in the fourth quarter of 2020. A record amount of material hauled was achieved in November 2020, averaging over 11,200 tpd.

A contractor fleet of three 100-tonne trucks and a dedicated loader remained active in the fourth quarter of 2020 to accelerate the development of the IVR pit, and provide additional production flexibility in 2021. In the fourth quarter of 2020, Amaruq had 10,995 ounces of pre-commercial gold production from the IVR pit. Commercial production at the IVR pit commenced on December 31, 2020.

In the fourth quarter of 2020, ramp development continued at the Amaruq underground project and the project has been approved for development.

The Meadowbank Complex's proven and probable mineral reserves were approximately 2.9 million ounces at December 31, 2020.

Canada – Meliadine Mine

In 2010, Agnico Eagle acquired its 100% interest in the Meliadine mine project in Nunavut, Canada through its acquisition of Comaplex Minerals Corp. In 2016, the Company's Board of Directors ("Board") approved the construction of the Meliadine mine project. Commercial production was achieved at the Meliadine mine in May 2019. In 2020, the Board approved the Phase 2 expansion which accelerates the Tiriganiaq open pit. Under current mine plans, the Meliadine mine is expected to be in production through 2032.

In the fourth quarter of 2020, underground mining performance continued to improve with an increase tonnage of the ore mucked from underground, peaking in December 2020 at 3,744 tpd. Stope mining in the recently dewatered and recommissioned higher grade RP3 mining horizon continued at a good rate and without any increase to the ground water inflows. This new horizon is expected to provide additional mining flexibility in respect of both tonnes and grade in 2021.

In the fourth quarter of 2020, the mill maintained average throughput above 4,000 tpd, slightly below forecast primarily due to filter press availability and preventive maintenance on the Carbon-in-Leach tanks. Milling rates are expected to average approximately 4,600 tpd in 2021. The Phase 2 expansion remains on track with mill throughput expected to increase from an average of approximately 4,600 tpd in 2021 to 6,000 tpd in 2025.

The Meliadine mine project had proven and probable mineral reserves of approximately 4.0 million ounces at December 31, 2020.

Canada – Canadian Malartic Mine

In 2014, Agnico Eagle and Yamana Gold Inc. ("Yamana") jointly acquired 100% of Osisko Mining Corporation, now Canadian Malartic Corporation ("CMC"), 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 own 50% of CMC and Canadian Malartic General Partnership ("CMGP"), a general partnership (the "Partnership"), which now holds the Canadian Malartic mine in northwestern Quebec.

Canadian Malartic achieved its best performance in health and safety since the opening of the mine. The Quebec Mining Association recognized 19 of the mine's supervisors for their team's performance in health and safety.

At the Barnat pit, overburden stripping progressed well and is expected to be completed in the first quarter of 2021. The topographic drilling is 60% complete and is expected to be finished by the third quarter of 2021. Pit design optimization was completed during the fourth quarter of 2020 and the ramp will be located on the south wall where better rock conditions exist. The change in design adds approximately 150,000 ounces to the 2020 year-end mineral reserves (50% basis) while requiring approximately 10.0 million tonnes of additional waste removal.

At the Malartic pit, the mining sequence offers less flexibility as the reduced footprint with higher density of underground openings and the geotechnical challenges increase the demand for activities to be performed remotely and create variability in performance. In the fourth quarter of 2020, the pit production was above forecast due to good weather conditions and the absence of any significant geotechnical issues. For 2021, the Malartic pit remains the main source of ore and is expected to provide over 75% of the processed ore in the first quarter of 2021 but decreasing during the course of 2021. The Barnat pit will progressively become the main source of ore, providing some production flexibility over the course of the year.

In mid-2020, the Partnership approved the start of construction of surface infrastructure and an underground exploration ramp into the East Gouldie, Odyssey and East Malartic zones, collectively known as the Odyssey project. This ramp will provide additional access for exploration drilling to expand and upgrade the current mineral resource base and allow for bulk sampling of up to 40,000 tonnes of mineralized material. The Odyssey project exploration ramp portal was completed during the fourth quarter of 2020. Ramp development started on December 2, 2020.

At the Odyssey project, drilling significantly expanded the inferred mineral resources which supported the approval of the Odyssey project by the Partnership.

Agnico Eagle's attributable share of proven and probable mineral reserves at the Canadian Malartic mine were approximately 2.2 million ounces at December 31, 2020.

Canada – Kirkland Lake Assets

On March 28, 2018, the Company acquired the 50% of the Canadian exploration assets (the "CMC Exploration Assets") of CMC that it did not previously own, including the Kirkland Lake and Hammond Reef gold projects, for an effective purchase price of $162.5 million, resulting in Agnico Eagle's 100% ownership of the assets. 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.

Kirkland Lake Project

Exploration activity at the project during the fourth quarter of 2020 focused on conversion drilling of shallow and deep mineral resources at the Upper Beaver deposit. Three drill rigs targeted the shallow mineralization and three drill rigs targeted mineralization at depths between 1,050 and 1,600 metres below surface, completing 51 drill holes totalling 14,700 metres. During 2020, 103 holes were drilled, totalling 28,300 metres at the Kirkland Lake project, mostly at Upper Beaver.

The Upper Beaver deposit's gold-copper mineralization is mainly hosted in the Upper Beaver alkalic intrusive complex and the surrounding basalts it intruded, and is associated with disseminated pyrite and chalcopyrite, and magnetite-sulphide veining associated with strong magmatic-hydrothermal alteration. The mineralization occurs as elongated tabular bodies that strike northeast, dip steeply northwest and plunge 65 degrees to the northeast. The mineralization has been defined along a 400-metre strike length from surface to a depth of 2,000 metres and it remains open at depth.

The Upper Beaver deposit's proven and probable mineral reserves were approximately 1.4 million ounces at December 31, 2020. No proven and probable mineral reserves have been declared for the Upper Canada project.

Hammond Reef Project

The Hammond Reef deposit is a high tonnage, low grade gold deposit that is primarily hosted in variably sheared and altered granitoid rocks. Gold mineralization is typically associated with fine grained pyrite mineralization that is often associated with fractures, veinlets and veins filled with various combinations of chlorite, calcite and quartz.

Resource sharing agreements with local First Nations are in place and the project has received environmental approval from both federal and provincial governments. In January 2020, the Company exercised its right of first refusal to repurchase a 2% NSR royalty on the Hammond Reef project from Kinross Gold Corporation for $12.0 million. The property remains subject to a 2% NSR royalty held by Osisko Royalties.

A positive internal technical study at Hammond Reef was completed by the Company in 2020, which resulted in the declaration of the first mineral reserves for the project on December 31, 2020. Open pit mineral reserves are estimated at 3.3 million ounces of gold (123.5 million tonnes grading 0.84 g/t gold). In addition, the project contains 0.8 million ounces of measured resources (47.1 million tonnes grading 0.54 g/t gold) and 1.5 million ounces of indicated resources (86.3 million tonnes grading 0.53 g/t gold). Mineral reserves were calculated using a gold price of $1,350 per ounce and a US$/C$ foreign exchange rate assumption of 1.30.

The Hammond Reef deposit's proven and probable mineral reserves were approximately 3.3 million ounces at December 31, 2020.

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, under current mine plans, the Kittila mine is expected to be in production through 2034.

In February 2018, the Company's Board of Directors approved an expansion to increase throughput rates at Kittila to 2.0 million tonnes per annum ("mtpa") from the current rate of 1.6 mtpa. This expansion includes the construction of a 1,044-metre deep shaft, a processing plant expansion as well as other infrastructure and service upgrades.

The expansion project is expected to increase the efficiency of the mine and maintain or decrease operating costs while providing access to the deeper mining horizons. In addition, the shaft is expected to provide access to the mineral resources located below 1,150 metres depth, where recent exploration programs have shown promising results.

The Kittila mine continued delivering strong performance in the fourth quarter of 2020, with production above forecast by approximately 6,000 tonnes and delivered a record full year ore production of approximately 1.85 million tonnes. This performance was driven by an improved fleet management and an increased usage of automation. Contracted development negatively affected unit costs in 2020. In December 2020, Kittila terminated the contract for underground development and this function will now be carried out by Company personnel. This transfer of responsibilities is expected to reduce mining costs in 2021.

The mill expansion tie-in was completed from September 22, 2020 to October 22, 2020. The commissioning of the expanded mill was completed ahead of schedule and the ramp-up towards the design capacity of 2.0 mtpa is on-going and on schedule

under a new environmental permit. Two strategically important environmental construction projects to increase the mill production rate to 2.0 mtpa, the NP4 tailings pond and the discharge waterline, were completed and commissioned in the fourth quarter of 2020.

The Kittila shaft project advanced in the fourth quarter of 2020, though at a lower rate than forecast. The shaft sinking project execution remains challenging due to travel restrictions related to the COVID-19 pandemic. Local resources have been added to the shaft sinking contractor team and commissioning is now expected to be completed in the first half of 2022.

The budget for the Kittila expansion project was updated in the third quarter of 2020 and is still forecast to be between €190.0 to €200.0 million.

Proven and probable mineral reserves at the Kittila mine were approximately 4.1 million ounces at December 31, 2020.

Southern Business

Mexico – Pinos Altos Mine

In 2006, the Company completed the acquisition of the Pinos Altos property in northern Mexico, which was then an advanced stage exploration property. Commercial production was achieved at the Pinos Altos mine in November 2009 and, under current mine plans, the mine is expected to be in production through 2026. A shaft sinking project was completed in June 2016 at the Pinos Altos mine and during 2018, the site transitioned into being a predominantly underground mining operation.

Gold production in the full year 2020 decreased when compared to the prior-year period due to lower throughput levels related to the government mandated suspension of operations in the second quarter of 2020 and due to lower grades related to the adjustment of the Cerro Colorado mining sequence to manage challenging ground conditions.

At the Cubiro deposit, located nine kilometres northwest of the Pinos Altos mine site, a total of 136 metres of ramp development was completed in the fourth quarter of 2020, bringing total underground development to 2,598 metres completed to-date, and the Company is evaluating the potential to bring the deposit into production in 2022. The raise-boring of the 14-foot diameter ventilation raise was completed in December 2020.

At the Sinter deposit, located approximately two kilometres northwest of the Pinos Altos mine site, production started in the fourth quarter of 2020. The underground mine is expected to provide additional flexibility to the Pinos Altos operation in 2021.

The Pinos Altos mine's proven and probable mineral reserves (including satellite deposits) were approximately 0.9 million ounces at December 31, 2020.

Mexico – Creston Mascota Mine

The 100% owned Creston Mascota mine is located approximately seven kilometres northwest of the Pinos Altos mine in northern Mexico. First mining activity commenced at the Creston Mascota deposit in 2010 and commercial production was achieved at the mine in March 2011. During 2017, the Bravo zone located south of the Creston Mascota facilities was added to the mine plan. Construction activities continued through 2018 and mining at the main Bravo zone began in the third quarter of 2018.

Creston Mascota open pit mineral reserves were depleted in the third quarter of 2020. Closure activities progressed on schedule in the fourth quarter of 2020. The major closure activities are expected to be completed in the first quarter of 2021. Minor residual leaching is expected to continue into the first quarter of 2021 under the progressive closure plan.

Mexico – La India Mine

Agnico Eagle acquired 100% of of Grayd Resource Corporation ("Grayd") in January 2012. Grayd owned the La India project, which is located approximately 70 kilometres northwest of the Pinos Altos mine in northern Mexico. In September 2012, development and construction of the La India mine were approved by the Board and commercial production was achieved in February 2014. Under current mine plans, the La India mine is expected to be in production through 2023.

There was a 16% decline in rainfall in the La India region in 2020 compared to 2019. This has resulted in lower water levels at the La India mine site, which is expected to lead to reduced solution circulation on the heap leach pads from March until June 2021. Mining and ore stacking will continue through that period and full leaching activities are expected to return to more normalized levels in the second half of 2021.

In order to help mitigate the lower water levels, the Company is drilling additional water wells, and is evaluating the construction of an additional water storage facility and a second water dam in the Chipriona area.

The La India heap leach pad construction phase III is approximately 70% complete and it is expected to be finished in the second quarter of 2021. The environmental permit modification that includes the operation of the La India heap leach expansion was approved by Mexican regulators in November 2020.

The evaluation work and scenario analysis on Chipriona and other sulphide opportunities are on-going and preliminary results are expected later in 2021.

The La India mine's proven and probable mineral reserves (including satellite deposits) were approximately 0.3 million ounces at December 31, 2020.

Mexico – Santa Gertrudis Project

In November 2017, the Company acquired its 100% interest in the Santa Gertrudis property which is located approximately 180 kilometers north of Hermosillo in Sonora, Mexico.

The property was the site of historic heap leach operations that produced approximately 0.6 million ounces of gold at a grade of 2.10 grams per tonne ("g/t") gold between 1991 and 2000. The project also has a substantial surface infrastructure already in place including pre-stripped pits, haul roads, water sources and buildings.

Extensive drilling totalling 32,500 metres by the Company at Santa Gertrudis in 2020 resulted in a 7% increase in the indicated mineral resource estimate to 111,000 ounces of gold and 816,000 ounces of silver (5.8 million tonnes grading 0.60 g/t gold and 4.4 g/t silver) at open-pit (oxide) depth, and a 39% increase in the inferred mineral resource estimate, to 746,000 ounces of gold and 1.2 million ounces of silver (19.7 million tonnes grading 1.18 g/t gold and 1.9 g/t silver) at open-pit (oxide) depth and 879,000 ounces of gold and 6.5 million ounces of silver (8.0 million tonnes grading 3.43 g/t gold and 25.4 g/t silver) at underground (mostly sulphide) depth, as of December 31, 2020.

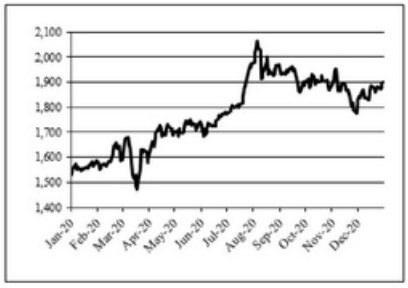
Key Performance Drivers

The key drivers of financial performance for Agnico Eagle include:

- the spot price of gold, silver, zinc and copper;
- production volumes;
- production costs; and
- US dollar/Canadian dollar, US dollar/Mexican peso and US dollar/Euro exchange rates.

Spot Price of Gold, Silver, Zinc and Copper

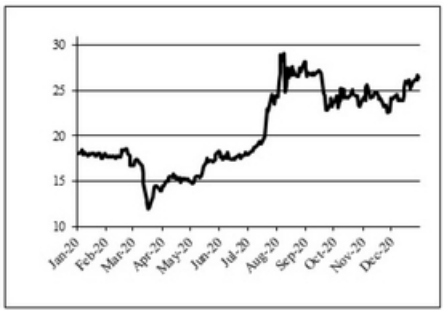
GOLD ($ per ounce)



	2020	2019	% Change
High price	$2,075	$1,557	33.3%
Low price	$1,452	$1,266	14.7%
Average market price	$1,770	$1,393	27.1%
Average realized price	$1,788	$1,406	27.2%

In 2020, the average market price per ounce of gold was 27.1% higher than in 2019. The Company's average realized price per ounce of gold in 2020 was 27.2% higher than in 2019.

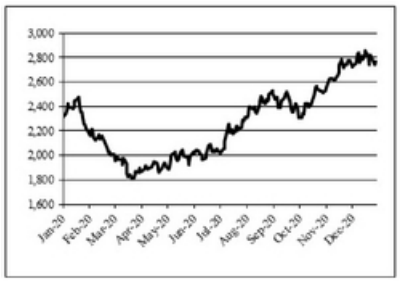
SILVER ($ per ounce)



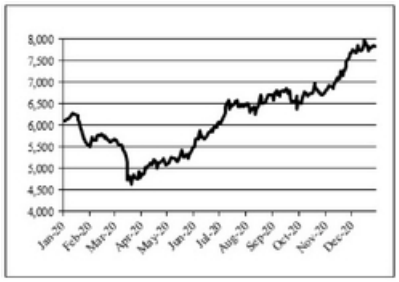
	2020	2019	% Change
High price	$29.86	$19.65	52.0%
Low price	$11.64	$14.29	(18.5)%
Average market price	$20.51	$16.21	26.5%
Average realized price	$20.44	$16.38	24.8%

In 2020, the average market price per ounce of silver was 26.5% higher than in 2019. The Company's average realized price per ounce of silver in 2020 was 24.8% higher than in 2019.

ZINC ($ per tonne)



COPPER ($ per tonne)



Agnico Eagle's average realized price year-over-year for zinc decreased by 8.8% and the average realized price year-over-year for copper increased by 6.9%. Significant quantities of by-product metals are produced by the LaRonde mine (silver, zinc and copper) and the Pinos Altos mine (silver).

Net by-product (primarily silver, zinc and copper) revenue is treated as a reduction of production costs in calculating total cash costs per ounce of gold produced on a by-product basis and all-in sustaining costs per ounce of gold produced on a by-product basis.

The Company has never sold gold forward, allowing the Company to take full advantage of rising gold prices. Management believes that low cost production is the best protection against a decrease in gold prices.

Production Volumes and Costs

Changes in production volumes have a direct impact on the Company's financial results. Total payable production of gold was 1,736,568 ounces in 2020, a decrease of 2.6% compared with 1,782,147 ounces in 2019. The decrease was primarily due to the temporary shutdowns or reduced activity levels as a result of measures taken by the Quebec and Mexican governments related to the COVID-19 pandemic. Partially offsetting the overall decrease in gold production was an increase in tonnage processed at the Meliadine mine which achieved commercial production during the second quarter of 2019, and an increase in tonnage and gold grade processed at the Kittila mine.

Production costs are discussed in detail in the Results of Operations section below.

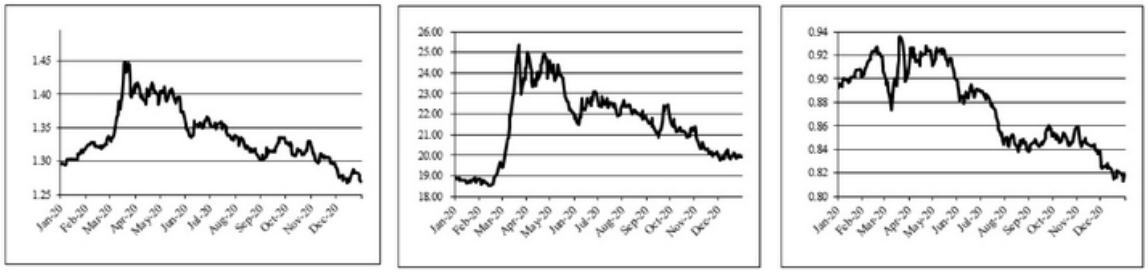
Foreign Exchange Rates (Ratio to US$)

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 and Meadowbank Complexes, Goldex, Canadian Malartic, and Meliadine mines are incurred in Canadian dollars;
- a significant portion of operating costs at the Pinos Altos, Creston Mascota and La India mines are incurred in Mexican pesos; and
- a significant portion of operating costs at the Kittila mine are incurred in Euros.

The Company mitigates part of its foreign currency exposure by using currency hedging strategies.

CANADIAN DOLLAR **MEXICAN PESO** **EURO**



On average, the Canadian dollar and Mexican peso weakened relative to the US dollar in 2020 compared with 2019, decreasing costs denominated in the local currency when translated into US dollars for reporting purposes. On average, the Euro strengthened relative to the US dollar in 2020 compared with 2019, increasing costs denominated in the local currency when translated into US dollars for reporting purposes.

Results of Operations

Agnico Eagle reported net income of $511.6 million, or $2.12 per share, in 2020 compared with net income of $473.2 million, or $2.00 per share, in 2019. In 2018, the Company reported net loss of $326.7 million, or $1.40 per share. Agnico Eagle reported adjusted net income of $451.6 million, or $1.87 per share, in 2020 compared with adjusted net income of $229.4 million, or $0.97 per share, in 2019. In 2018, the Company reported adjusted net income of $71.9 million, or $0.31 per share. In 2020, operating margin increased to $1,714.0 million from $1,247.2 million in 2019. In 2018, operating margin was $1,030.9 million.

Revenues from Mining Operations

Revenues from mining operations increased by $643.2 million, or 25.8%, to $3,138.1 million in 2020 from $2,494.9 million in 2019 primarily due to a 27.2% increase in the average realized price of gold between periods. Revenues from mining operations were $2,191.2 million in 2018.

Revenues from the Northern Business increased by $615.8 million, or 30.0%, to $2,668.8 million in 2020 from $2,053.0 million in 2019 primarily due to a higher average realized price of gold. Revenues from the Southern Business increased by $27.4 million, or 6.2%, to $469.3 million in 2020 from $441.9 million in 2019, primarily due to a higher average realized price of gold. Revenues from the Northern Business were $1,739.2 million and revenues from the Southern Business were $452.0 million in 2018.

Sales of precious metals (gold and silver) accounted for 99.5% of revenues from mining operations in 2020, an increase from 98.9% in 2019 and 98.4% in 2018. The increase in the percentage of revenues from precious metals in 2020 compared with 2019 was primarily due to a higher average realized price of gold.

The table below sets out revenues from mining operations, production volumes and sales volumes by metal:

	2020	2019	2018
	(thousands of United States dollars)		
Revenues from mining operations:			
Gold	$ 3,047,344	$ 2,393,869	$ 2,080,545
Silver	74,025	73,312	75,310
Zinc	1,970	14,711	14,397
Copper	14,774	13,000	20,969
Total revenues from mining operations	$ 3,138,113	$ 2,494,892	$ 2,191,221
Payable production:			
Gold (ounces)	1,736,568	1,782,147	1,626,669
Silver (thousands of ounces)	3,365	4,310	4,524
Zinc (tonnes)	6,259	13,161	7,864
Copper (tonnes)	3,069	3,397	4,193
Payable metal sold:			
Gold (ounces)	1,724,538	1,755,334	1,629,785
Silver (thousands of ounces)	3,481	4,271	4,545
Zinc (tonnes)	5,010	12,292	8,523
Copper (tonnes)	3,062	3,390	4,195

Revenues from gold increased by $653.5 million or 27.3% in 2020 compared with 2019 primarily due to an 27.2% increase in the average realized price of gold. The Company's average realized price of gold increased to $1,788 in 2020 compared to $1,406 in 2019, and the sales volume of gold increased to 1,693,029[(i)] ounces in 2020 compared to 1,691,300 [(i)] ounces in 2019.

Revenues from silver increased by $0.7 million or 1.0% in 2020 compared with 2019 primarily due to a 24.8% increase in the average realized price of silver to $20.44 in 2020 from $16.38 in 2019. Revenues from zinc decreased by $12.7 million or 86.6% to $2.0 million in 2020 compared with $14.7 million in 2019 primarily due to a 59.2% decrease in the sales volume of zinc between periods. Revenues from copper increased by $1.8 million or 13.6% in 2020 compared with $13.0 million in 2019 primarily due to a 6.9% increase in the average realized price of copper, partially offset by a 9.7% decrease in the sales volume of copper between periods.

Production Costs

Production costs increased to $1,424.2 million in 2020 compared with $1,247.7 million in 2019 primarily due to the contribution of mining and milling costs from the Meliadine mine, which achieved commercial production during the second quarter of 2019, and higher open pit mining costs at the Meadowbank Complex which resulted from the transition of mining operations to the Amaruq satellite deposit. Partially offsetting the overall increase was a decrease in the mining costs at the LaRonde Complex as a result of the Company's automation strategy, which improved productivity. Production costs were $1,160.4 million in 2018.

Note:

(i) For the year ended December 31, 2020, excludes 31,509 ounces of payable production of gold sold associated with the IVR deposit at the Meadowbank Complex, the Tiriganiaq open pit deposit at the Meliadine mine and the Barnat deposit at the Canadian Malartic mine which were sold prior to the achievement of commercial production. For the year ended December 31, 2019, excludes 64,034 ounces of payable production of gold sold associated with the Meliadine mine, the Amaruq satellite deposit at the Meadowbank Complex and the Barnat deposit at the Canadian Malartic mine which were sold prior to the achievement of commercial production.

The table below sets out production costs by mine:

	2020	2019	2018
	(thousands of United States dollars)		
LaRonde mine	$ 169,824	$ 215,012	$ 228,294
LaRonde Zone 5 mine	47,899	41,212	12,991
LaRonde Complex	217,723	256,224	241,285
Lapa mine	–	2,844	27,870
Goldex mine	82,654	82,533	78,533
Meadowbank Complex	284,976	180,848	211,147
Meliadine mine	245,700	142,932	–
Canadian Malartic mine (attributable 50%)	195,312	208,178	199,761
Kittila mine	169,884	142,517	157,032
Pinos Altos mine	124,678	130,190	138,362
Creston Mascota mine	35,088	35,801	37,270
La India mine	68,137	65,638	69,095
Total production costs	$ 1,424,152	$ 1,247,705	$ 1,160,355

Production costs at the LaRonde mine were $169.8 million in 2020, a 21.0% decrease compared with 2019 production costs of $215.0 million. This reduction was primarily due to the temporary suspension of mining activities in the West mine area during the first quarter of 2020 to complete additional ground support work resulting in lower mine and mill production costs, and the temporary suspension of mining activities at the Company's Quebec mines (the "Quebec Operations Suspension") to comply with the order by the Government of Quebec, issued on March 23, 2020, (the "Quebec Order") to close all non-essential businesses made in response to the COVID-19 pandemic. During 2020, the LaRonde mine processed an average of 4,661 tonnes of ore per day compared with 5,636 tonnes of ore per day during 2019. The decrease in throughput was primarily due to the Quebec Operations Suspension. Production costs per tonne decreased to C$133 in 2020 compared with C$139 in 2019 primarily due to lower production costs as noted above and the timing of inventory sales. Minesite costs per tonne increased to C$127 in 2020 compared with C$125 in 2019 primarily due to lower throughput.

Production costs at the LZ5 mine were $47.9 million in 2020, a 16.2% increase compared to $41.2 million in 2019 primarily due to higher underground and mill production costs and the timing of inventory sales, partially offset by the Quebec Operations Suspension. During 2020, the LZ5 mine processed an average of 2,645 tonnes of ore per day compared with 2,384 tonnes of ore per day during 2019. The increase in throughput between periods was primarily due to the Company's automation strategy, which improved productivity. Production costs per tonne increased to C$66 in 2020 compared with C$63 in 2019 due to higher production costs as noted above and the timing of inventory sales. Minesite costs per tonne decreased to C$65 in 2020 compared with C$66 in 2019, primarily due to higher throughput.

Production costs at the Goldex mine were $82.7 million in 2020, compared to $82.5 million in 2019. During 2020, the Goldex mine processed an average of 7,254 tonnes of ore per day compared with 7,630 tonnes of ore per day processed during 2019. The decrease in throughput between periods was primarily due to the Quebec Operations Suspension. Production costs per tonne and minesite costs per tonne increased to C$41 in 2020, compared to C$39 in 2019, primarily due to lower throughput during the year.

Production costs at the Meadowbank Complex were $285.0 million in 2020, a 57.6% increase compared with 2019 production costs of $180.8 million primarily due to higher contractor and maintenance costs, higher long-haul trucking costs attributable to the transport of ore from the Amaruq satellite deposit to the Meadowbank mill, partially offset by an increase in capitalized deferred stripping costs. During 2020, the Meadowbank Complex processed an average of 7,113 tonnes of ore per day compared with 7,731 tonnes of ore per day during 2019. The decrease in throughput is due to an increase in the proportion of commercial production volume processed in 2020 as compared to 2019, which resulted in a higher proportion of mill operation days attributed to production tonnage in 2020. Production costs per tonne increased to C$154 in 2020 compared with C$101 in 2019 primarily due to higher open pit mining costs and ore transport costs, partially offset by an

increase in capitalized deferred stripping costs. Minesite costs per tonne increased to C$148 in 2020 compared with C$103 in 2019 primarily due to the factors noted above.

During 2020, the Meliadine mine processed an average of 3,813 tonnes per day and incurred production costs of $245.7 million. In 2020, production costs per tonne were C$244 and minesite costs per tonne were C$240. As the Meliadine mine achieved commercial production during May 2019, the comparison to the previous year is not meaningful.

Attributable production costs at the Canadian Malartic mine were $195.3 million in 2020, a 6.2% decrease compared with 2019 production costs of $208.2 million, primarily due to the Quebec Operations Suspension, partially offset by an increase in rehandling costs. During 2020, the Canadian Malartic mine processed an average of 56,832 tonnes of ore per day on a 100% basis compared with 57,669 tonnes of ore per day in 2019. The decrease in throughput between periods was primarily due to the Quebec Operations Suspension. Production costs per tonne and minesite costs per tonne increased to C$27 in 2020 compared with C$26 in 2019, primarily due to lower throughput levels between periods.

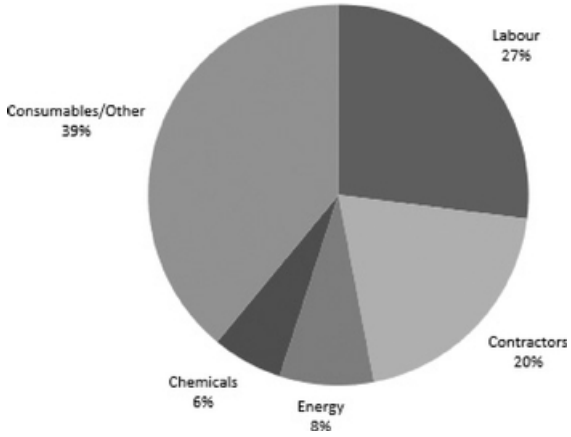
Production costs at the Kittila mine were $169.9 million in 2020, a 19.2% increase compared with 2019 production costs of $142.5 million, primarily due to an increase in contractor costs related to underground development, higher mill maintenance costs, higher ground support costs and higher royalty payments that resulted from higher average realized gold prices. During 2020, the Kittila mine processed an average of 4,650 tonnes of ore per day compared with 4,359 tonnes of ore per day during 2019, where autoclave relining required the mill to be shutdown for 58 days. Production costs per tonne increased to €87 in 2020 compared with €80 in 2019 due to the factors noted above, partially offset by increased throughput. Minesite costs per tonne increased to €86 in 2020 compared with €76 in 2019 due to the factors noted above.

Production costs at the Pinos Altos mine were $124.7 million in 2020, a 4.2% decrease compared with 2019 production costs of $130.2 million due to the temporary suspension of mining activities (the "Mexican Operations Suspension") to comply with the order issued by the Government of Mexico on April 2, 2020 (the "Decree") to suspend operations of all non-essential businesses in response to the COVID-19 pandemic and the weakening of the Mexican peso relative to the US dollar. During 2020, the Pinos Altos mine mill processed an average of 4,532 tonnes of ore per day compared with the 5,214 tonnes of ore per day during 2019. The decrease in throughput is primarily due to the Mexican Operations Suspension. In 2020, approximately 137,664 tonnes of ore were stacked on the Pinos Altos mine leach pad, compared with approximately 103,500 tonnes of ore stacked in 2019. The higher tonnage of ore at the leach pad was primarily due to mine sequencing. Production costs per tonne increased to $69 in 2020 compared with $65 in 2019, primarily due to lower throughput and the timing of inventory sales. Minesite costs per tonne of $66 in 2020 were the same compared to 2019.

Production costs at the Creston Mascota mine were $35.1 million in 2020, a 2.0% decrease compared with 2019 production costs of $35.8 million, primarily due to a decrease in mining and heap leach activities as the mine approached the end of operations. During 2020, approximately 386,700 tonnes of ore were stacked at the Creston Mascota mine compared with approximately 1,066,900 tonnes of ore stacked in 2019. The decrease in tonnage of ore stacked was primarily due to the depletion of the Bravo pit during 2020 as the mine approached the end of operations. Production costs per tonne increased to $67 in 2020 compared with $34 in 2019 primarily due to lower tonnage of ore stacked and the timing of inventory sales. Minesite costs per tonne increased to $54 in 2020 compared with $33 in 2019 primarily due to the factors noted above, other than the timing of inventory sales.

Production costs at the La India mine were $68.1 million in 2020, a 3.8% increase compared with 2019 production costs of $65.6 million primarily due to the timing of inventory sales, partially offset by a decrease in open pit and heap leach production costs. During 2020, the La India mine stacked approximately 5,525,500 tonnes of ore on the leach pad compared with approximately 5,402,400 tonnes of ore stacked in 2019. The increase in tonnage of ore stacked was primarily due to the improvements made to the crushing circuit during the year. Production costs per tonne of $12 were the same between 2020 and 2019. Minesite costs per tonne decreased to $12 in 2020 compared with $13 in 2019 primarily due to an increase in tonnes of ore stacked at the heap leach.

Total Production Costs by Category 2020



Total production costs per ounce of gold production, representing the weighted average of all of the Company's producing mines, increased to $838 in 2020 compared with $735 in 2019 and $713 in 2018. Total cash costs per ounce of gold produced on a by-product basis increased to $775 in 2020 compared with $673 in 2019 and $637 in 2018. Total cash costs per ounce of gold produced on a co-product basis increased to $838 in 2020 compared with $745 in 2019 and $710 in 2018. Set out below is an analysis of the change in total production costs per ounce and cash costs per ounce at each of the Company's mining operations.

- At the LaRonde mine, total production costs per ounce of gold produced decreased to $589 in 2020 compared with $627 in 2019 primarily due to the temporary suspension of mining activities in the West mine area during the first quarter of 2020 to complete additional ground support work resulting in lower mine and mill production costs and the Quebec Operations Suspension. Production costs per ounce of gold produced were positively impacted by the Company's automation strategy which improved productivity and the timing of inventory sales, partially offset by a decrease in gold production. Total cash costs per ounce of gold produced on a by-product basis increased to $466 in 2020 compared with $464 in 2019 primarily due to a decrease in zinc concentrate revenue. Total cash costs per ounce of gold produced on a co-product basis decreased to $643 in 2020 compared with $660 in 2019 primarily due to the factors noted above, other the decrease in zinc concentrate revenue and lower underground production costs resulting from the Company's automation strategy which improved productivity.

- At the LZ5 mine, total production costs per ounce of gold produced increased to $777 in 2020 compared with $689 in 2019, primarily due to higher underground production costs and the timing of inventory sales, partially offset by a 3.1% increase in gold production. The increase in gold production in 2020 is primarily due to the Company's automation strategy which improved productivity, partially offset by the Quebec Operations Suspension. Total cash costs per ounce of gold produced on a by-product basis increased to $755 in 2020 compared with $722 in 2019 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $759 in 2020 compared with $725 in 2019 due to the factors noted above.

- At the Goldex mine, total production costs per ounce of gold produced increased to $648 in 2020 compared with $586 in 2019 primarily due to a 9.5% decrease in gold production resulting from the Quebec Operations Suspension. Total cash costs per ounce of gold produced on a by-product basis increased to $634 in 2020 compared with $584 in 2019 due to the decrease in gold production noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $634 in 2020 compared with $584 in 2019 due to the decrease in gold production noted above.

- At the Meadowbank Complex, total production costs per ounce of gold produced increased to $1,436 in 2020 compared with $1,143 in 2019 primarily due to higher long-haul trucking costs attributable to the transport of ore from the Amaruq satellite deposit to the Meadowbank mill and higher contractor and temporary worker costs due to measures taken in response to the COVID-19 pandemic, partially offset by a 25.4% increase in gold production. Total cash costs per ounce of gold produced on a by-product basis increased to $1,404 in 2020 compared with $1,152 in 2019 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $1,411 in 2020 compared with $1,161 in 2019 due to the factors noted above.

- In 2020, total production costs per ounce of gold produced at the Meliadine mine were $786. Total cash costs per ounce of gold produced on a by-product basis were $774 and total cash costs per ounce of gold produced on a co-product basis were $776 in 2020. In response to the COVID-19 pandemic, activity levels at the Meliadine mine were reduced from the end of March 2020 to early June 2020. The mill was gradually ramped-up through April and May to achieve more normal operating levels in June. The reduction in activities for most of the second quarter of 2020 caused a reduction in production and an increase in unit production costs. As the Meliadine mine achieved commercial production during May 2019, the comparison to the previous year is not meaningful.

- At the Canadian Malartic mine, total production costs per ounce of gold produced increased to $736 in 2020 compared with $628 in 2019 primarily due to a 20.0% decrease in the production of gold resulting from the Quebec Operations Suspension. Total cash costs per ounce of gold produced on a by-product basis increased to $723 in 2020 compared with $606 during 2019 due to the factor noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $750 in 2020 compared with $626 during 2019 due to the factor noted above.

- At the Kittila mine, total production costs per ounce of gold produced increased to $816 in 2020 compared with $766 in 2019 primarily due to an increase in contractor costs related to underground development, higher mill maintenance costs, higher ground support costs and higher royalty payments related to higher average realized gold price, partially offset by an 11.8% increase in gold produced during the year. Total cash costs per ounce of gold produced on a by-product basis increased to $805 in 2020 compared with $736 in 2019 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $806 in 2020 compared with $737 in 2019 due to the factors noted above.

- At the Pinos Altos mine, total production costs per ounce of gold produced increased to $1,086 in 2020 compared with $839 in 2019 primarily due to a 26.0% decrease in gold production resulting from the Mexican Operations Suspension, partially offset by associated lower underground production costs and the weakening of the Mexican peso relative to the US dollar. Total cash costs per ounce of gold produced on a by-product basis increased to $749 in 2020 compared with $639 in 2019 primarily due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $1,050 in 2020 compared with $867 in 2019 due to the factors noted above.

- At the Creston Mascota mine, total production costs per ounce of gold produced increased to $909 in 2020 compared to $740 in 2019 primarily due to a 20.2% decrease in gold production resulting from the Mexican Operations Suspension and the depletion of the Bravo pit as the mine approached the end of operations, partially offset by the weakening of the Mexican peso relative to the US dollar. Total cash costs per ounce of gold produced on a by-product basis increased to $605 in 2020 compared with $554 in 2019 due to the factors noted above. Total cash costs per ounce of gold produced on a co-product basis increased to $867 in 2020 compared with $754 in 2019 due to the factors noted above.

- At the La India mine, total production costs per ounce of gold produced increased to $802 in 2020 compared with $799 in 2019 primarily due to the timing of inventory sales, partially offset by a decrease in heap leach costs and open pit production costs and an increase in gold production. The increase in gold production is due to increased ore stacking in the third and fourth quarter of 2020, partially offset by the Mexican Operations Suspension. Total cash costs per ounce of gold produced on a by-product basis decreased to $788 in 2020 compared with $823 in 2019 due to a decrease in heap leach and open pit production costs. Total cash costs per ounce of gold produced on a co-product basis decreased to $803 in 2020 compared with $849 in 2019 due to the factors noted above.

Exploration and Corporate Development Expense

Exploration and corporate development expense increased by 8.3% to $113.5 million in 2020 from $104.8 million in 2019. Exploration and corporate development expense was $137.7 million in 2018.

A summary of the Company's significant 2020 exploration and corporate development activities is set out below:

- Exploration expenses at various mine sites decreased by 15.1% to $10.2 million in 2020 compared with 2019 primarily due to lower expensed exploration drilling at various satellite projects at the Goldex and La India mines.

- Exploration expenses in Canada increased by 82.6% to $46.5 million in 2020 compared with 2019 primarily due to higher expensed exploration drilling at the Odyssey and Upper Beaver projects.

- Exploration expenses in Latin America decreased by 15.1% to $20.4 million in 2020 compared with 2019 primarily due to decreased exploration at the Santa Gertrudis and El Barqueño projects, partially offset by increased exploration at the Morelos Sur project in Mexico.

- Exploration expenses in the United States decreased by 38.2% to $5.1 million in 2020 compared with 2019 primarily due to decreased exploration at the Gilt Edge project in South Dakota.

- Exploration expenses in Europe decreased by 6.1% to $5.9 million in 2020 compared with 2019 primarily due to decreased exploration at the Barsele project.

- Corporate development and project evaluation expenses decreased by 11.5% to $25.5 million in 2020 compared with 2019 primarily due to decreased 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:

	2020	2019	2018
	(thousands of United States dollars)		
Mine sites	$ 10,203	$ 12,018	$ 20,542
Canada	46,475	25,458	46,420
Latin America	20,350	23,960	26,897
United States	5,142	8,317	6,082
Europe	5,855	6,238	12,368
Corporate development and project evaluation expenses	25,467	28,788	25,361
Total exploration and corporate development expense	$ 113,492	$ 104,779	$ 137,670

Amortization of Property, Plant and Mine Development

Amortization of property, plant and mine development expense increased to $631.1 million in 2020 compared with $546.1 million in 2019 and $553.9 million in 2018. The increase in amortization of property, plant and mine development between 2020 and 2019 was primarily due to the contribution of a full year of amortization from the Meliadine mine, which commenced commercial production during May 2019, the achievement of commercial production at the Barnat deposit during the year and higher throughput at the Kittila mine resulting from increased mill availability. Partially offsetting the increase in amortization was lower tonnage of ore processed at the LaRonde mine as a result of the temporary suspension of mining activities in the West mine area during the first quarter of 2020 to complete additional ground support work and the Quebec Operations Suspension.

General and Administrative Expense

General and administrative expenses decreased to $116.3 million in 2020 compared with $121.0 million in 2019 and $124.9 million in 2018 primarily due to decreased travel and investor relations expenses from reduced activity and scope of projects between periods caused by the COVID-19 pandemic.

Finance Costs

Finance costs decreased to $95.1 million in 2020 compared with $105.1 million in 2019 and $96.6 million in 2018 primarily due to decreased interest expense on the Company's guaranteed senior unsecured notes (the "Notes") as $360.0 million of the 2010 Series B Notes were repaid in April 2020, partially offset by increased interest expense relating to the $200.0 million private placement of guaranteed senior unsecured notes which were issued in April 2020. The aggregate outstanding principal of the Notes was $1,575.0 million at December 31, 2020 and $1,735.0 million at December 31, 2019.

The table below sets out the components of finance costs:

	2020	2019	2018
	(thousands of United States dollars)		
Interest on Notes	$ 77,739	$ 91,147	$ 87,100
Stand-by fees on credit facilities	5,107	5,862	5,811
Amortization of credit facilities, financing and note issuance costs	3,594	2,800	2,671
Interest on Credit Facility	5,304	1,270	310
Accretion expense on reclamation provisions	3,502	5,715	7,107
Other interest and penalties, including interest on lease obligations	2,684	2,336	1,521
Interest capitalized to assets under construction	(2,796)	(4,048)	(7,953)
Total finance costs	$ 95,134	$ 105,082	$ 96,567

See Note 13 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.

Gain (loss) on Derivative Financial Instruments

Gain on derivative financial instruments increased to $107.9 million in 2020 compared to a gain of $17.1 million in 2019 and a loss of $6.1 million in 2018 primarily due an unrealized gain on warrants. The recovery of the market for securities, including securities of gold resource companies, resulted in an unrealized gain on warrants of $82.0 million in 2020, compared to an unrealized gain of $2.3 million in 2019. The Company holds warrants to acquire equity securities of certain issuers in the mining industry. In addition, as a result of the strengthening of the Canadian dollar relative to the US dollar at the end of December 2020, the Company recognized an unrealized gain on currency and commodity derivatives of $30.1 million in 2020, compared to an unrealized gain on currency and commodity derivatives of $12.7 million in 2019.

Impairment

As at December 31, 2020 and December 31, 2019, the Company completed its goodwill impairment test and its review of indicators of potential impairment of the Company's cash generating units ("CGUs") and no impairments were identified. As at December 31, 2018, the Company completed its goodwill impairment test and its review of indicators of potential impairment of the Company's CGUs. As a result, the Company estimated the recoverable amounts of the Canadian Malartic mine, the La India mine and the El Barqueño project and concluded the carrying amounts exceeded the recoverable amounts. The Company recorded an impairment loss for 2018 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.

As at December 31, 2020, the Company completed its review of indicators of potential impairment reversal and no indicators of reversal were identified. As at December 31, 2019, the Company identified indicators of potential impairment reversal for the Company's Meliadine mine. As a result of the identification of these indicators, the Company estimated the recoverable amounts of the Meliadine mine CGU and concluded the recoverable amounts exceeded the carrying amounts. The Company recorded an impairment reversal of $345.8 million ($223.4 million net of tax) at the Meliadine mine. Based on assessments completed by the Company, no impairment reversals were required in 2018.

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 financial results.

See Note 23 in the annual consolidated financial statements for further details on impairment and impairment reversals.

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, 2019 through December 31, 2020, the daily US dollar closing exchange rate per US$1.00 fluctuated between C$1.27 and C$1.45 as reported by the Bank of Canada, 18.57 and 25.12 Mexican pesos as reported by the Central Bank of Mexico, and €0.81 and €0.93 as reported by the European Central Bank.

A foreign currency translation loss of $22.5 million was recorded in 2020 compared with $4.9 million in 2019 and $2.0 million in 2018. On average, the US dollar strengthened relative to the Canadian dollar and Mexican peso and weakened relative to the Euro in 2020 compared with 2019. As at December 31, 2020, the US dollar strengthened relative to the Mexican peso and weakened relative to the Canadian dollar and Euro, as compared to December 31, 2019. The net foreign currency translation loss in 2020 was primarily due to the translation impact of the Company's net monetary liabilities denominated in Euros and translation impact of the Company's net monetary assets denominated in Mexican pesos.

Other Expenses (Income)

Other expenses increased to $48.2 million in the year ended December 31, 2020 compared with other income of $13.2 million in the year ended December 31, 2019 primarily due to the costs of $33.5 million associated with the temporary suspension of mining and exploration activities at the Company's mine sites and exploration properties due to the COVID-19 pandemic. These costs include primarily payroll and other incidental costs associated with maintaining the sites and payroll costs associated with employees who were not working during the period of suspended operations, and payroll costs for Nunavut-based and Mexican employees who were not able to work following the period of temporary suspension or reduced operations due to the Company's efforts to prevent or curtail community transmission of COVID-19. Other income in the year ended December 31, 2019 related primarily to the gain on disposition of an investment. In the year ended December 31, 2018, other income of $35.3 million related to gains on disposal of property, plant and mine development and interest income.

Income and Mining Taxes Expense

In 2020, the Company recorded income and mining taxes expense of $256.0 million on income before income and mining taxes of $767.6 million at an effective tax rate of 33.3%. In 2019, the Company recorded income and mining taxes expense of $265.6 million on income before income and mining taxes of $738.7 million at an effective tax rate of 36.0%. The Company's 2020 and 2019 effective tax rate is higher than the applicable statutory tax rate of 26.0% due to the impact of mining taxes. In 2018, the Company recorded income and mining taxes expense of $67.6 million on a loss before income and mining taxes of $259.1 million at an effective tax rate of (26.1)%.

Balance Sheet Review

Total assets at December 31, 2020 of $9,614.8 million increased compared to total assets of $8,789.9 million at December 31, 2019. The $824.9 million increase in total assets was primarily due to a $321.8 million increase in property, plant and mine development, a $283.9 million increase in investments, an $80.6 million increase in cash and cash equivalents, a $74.4 million increase in other assets and a $50.4 million increase in inventories between periods. Total assets of $7,852.8 million at December 31, 2018 were lower compared to total assets as at December 31, 2019 primarily due to a $769.4 million increase in property, plant and mine development and an $85.9 million increase in inventories between periods.

Cash and cash equivalents were $402.5 million at December 31, 2020, an increase of $80.6 million compared with December 31, 2019 primarily due to cash provided by operating activities of $1,192.1 million and proceeds on the exercise of stock options of $90.7 million, partially offset by $759.3 million in capital expenditures, $190.3 million in dividends paid, $160.0 million in net repayment of Senior Notes, a $45.2 million purchase of equity securities and other investments, and a $39.6 million repurchase of common shares for stock-based compensation plans during 2020.

Other assets increased by $74.4 million from $184.9 million at December 31, 2019 to $259.3 million at December 31, 2020 primarily due to a $52.3 million increase in non-current ore in stockpiles and on leach pads. Non-current ore increased from $145.7 million at December 31, 2019 to $198.0 million at December 31, 2020 primarily due to the the increase in stockpile and heap leach balances not expected to be processed within 12 months at the Meadowbank Complex, Canadian Malartic and La India mines. In addition, the loan receivable from Orla Mining Ltd. ("Orla") increased by $16.6 million from $4.6 million at December 31, 2019 to $21.2 million at December 31, 2020. See Note 7 to the annual consolidated financial statements for details of the Orla loan receivable.

Current inventory balances increased by $50.4 million from $580.1 million at December 31, 2019 to $630.5 million at December 31, 2020 primarily due to a $65.0 million increase in supplies inventories from the higher balance of fuel inventory and inventory parts on hand to mitigate the risk of possible supply chain disruption caused by COVID-19 pandemic.

Property, plant and mine development increased by $321.8 million to $7,325.4 million at December 31, 2020 compared with December 31, 2019 due to $759.3 million in capital expenditures primarily at the Meadowbank Complex, Meliadine and Kittila mines, partially offset by amortization expense of $631.1 million incurred during 2020.

Investments increased from $91.2 million at December 31, 2019 to $375.1 million at December 31, 2020 primarily due to $240.1 million in unrealized fair value gains related to equity securities and share purchase warrants and $45.2 million in new equity investments and share purchase warrants. See Note 9 to the annual consolidated financial statements for details of the Company's investments.

Total liabilities increased to $3,931.5 million at December 31, 2020 from $3,678.4 million at December 31, 2019 primarily due to a $227.3 million increase in reclamation provision, an increase in deferred income and mining tax liabilities of $87.9 million, and an increase in net income taxes payable of $75.1 million, partially offset by a net decrease in total long-term debt of $158.9 million between periods. Total liabilities of $3,302.8 million at December 31, 2018 were lower compared to total liabilities as at December 31, 2019 primarily due to the net capitalization of $114.9 million of lease obligations during 2019 in accordance with the adoption of IFRS 16 – Leases ("IFRS 16") effective January 1, 2019.

Net income taxes payable increased by $75.1 million between December 31, 2019 and December 31, 2020 as a result of the current tax expense exceeding payments to tax authorities.

Total long-term debt decreased by $158.9 million between December 31, 2019 and December 31, 2020 primarily due to the $160.0 million net repayment of Senior Notes.

Reclamation provision increased by $227.3 million between December 31, 2019 and December 31, 2020 primarily due to the re-measurement of these provisions by applying updated expected cash flow estimates and assumptions at the Kittila and Canadian Malartic mines as at December 31, 2020. The higher expected cash flow estimates at the Kittila and Canadian Malartic mines are primarily related to the updated mine closure plans completed during the year.

Deferred income and mining tax liabilities increased by $87.9 million between December 31, 2019 and December 31, 2020 primarily due to the origination and reversal of net taxable temporary differences.

While 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. During the year ended December 31, 2020, the Company increased its currency and diesel hedge positions to support its key input costs used in budgeting and mine planning assumptions. As at December 31, 2020, the Company had outstanding currency derivative contracts related to $1,188.0 million of 2021 and 2022 expenditures (December 31, 2019 – $252.0 million) and diesel fuel derivative contracts related to 24.0 million gallons of heating oil (December 31, 2019 – 12.0 million).

Liquidity and Capital Resources

As at December 31, 2020, the Company's cash and cash equivalents and short-term investments totaled $406.5 million compared with $327.9 million as at December 31, 2019. The Company's policy is to invest excess cash in highly liquid investments of high credit quality to reduce risks associated with these investments. Such investments with remaining maturities of greater than three months and less than one year at the time of purchase are classified as short-term investments. Decisions regarding the length of maturities are based on cash flow requirements, rates of return and various other factors.

Working capital (current assets less current liabilities) increased to $731.5 million as at December 31, 2020 compared with $326.7 million as at December 31, 2019, primarily due to a repayment of $360.0 million of Senior Notes that were previously classified in current liabilities.

During the year ended December 31, 2020, DBRS Morningstar upgraded the Company's investment grade credit rating to BBB from BBB (low) and changed the trend to Stable from Positive, reflecting the Company's strong financial risk profile. Additionally, Fitch Ratings Inc. issued its inaugural credit rating for the Company, assigning a rating of BBB with a Stable trend in consideration of the Company's strong credit and growing production profile. These ratings are expected to result in a reduction in future financing costs for the Company.

Subject to various risks and uncertainties, the Company believes it will generate sufficient cash flow from operations and has adequate cash and debt facilities available to finance its current operations, contractual obligations and planned capital expenditure and exploration programs.

Operating Activities

Cash provided by operating activities increased by $310.4 million to $1,192.1 million in 2020 compared with $881.7 million in 2019. The increase in cash provided by operating activities was primarily due to a 27.2% increase in the Company's

average realized price of gold. Partially offsetting the increase in cash provided by operating activities was an increase in production costs, an increase in costs related to temporary suspension of mining and exploration activities due to the COVID-19 pandemic, an increase in tax payments, and less favourable working capital changes between periods. Cash provided by operating activities of $881.7 million in 2019 was $276.0 million higher than $605.7 million in 2018 primarily due to an increase in the Company's average realized price of gold, an increase in the sales volume of gold, and more favourable working capital conditions, partially offset by an increase in production costs between periods.

Investing Activities

Cash used in investing activities decreased to $808.8 million in 2020 from $873.9 million in 2019. The decrease in cash used in investing activities between periods was primarily due to a $123.4 million decrease in capital expenditures, partially offset by a $26.2 million increase in net purchases of equity securities and other investments. Cash used in investing activities was $1,204.4 million in 2018, which included capital expenditures of $1,089.1 million.

In 2020, the Company invested cash of $759.3 million in projects and sustaining capital expenditures compared with $882.7 million in 2019. Capital expenditures in 2020 included $109.3 million at the LaRonde mine, $9.8 million at the LaRonde Zone 5 mine, $36.8 million at the Goldex mine, $162.3 million at the Meadowbank Complex, $126.0 million at the Meliadine mine, $52.6 million at the Canadian Malartic mine (the Company's attributable 50% share), $199.1 million at the Kittila mine, $24.5 million at the Pinos Altos mine, $21.6 million at the La India mine and $17.3 million at the Company's other projects. The $123.4 million decrease in capital expenditures between 2020 and 2019 was primarily due to a decrease in construction expenditures at the Meadowbank Complex related to the Amaruq satellite deposit, which achieved commercial production in September 2019.

In 2020, the Company received net proceeds of $8.8 million from the sale of equity securities and other investments compared with $43.7 million in 2019 and $17.5 million in 2018. In 2020, the Company purchased $45.2 million of equity securities and other investments compared with $33.5 million in 2019 and $11.2 million in 2018. The Company's investments in equity securities consist primarily of investments in common shares of entities in the mining industry.

On October 30, 2020, Orla completed the second tranche drawdown of $16.0 million in connection with, and as consideration for the funding commitments provided by the Company under a loan agreement dated December 18, 2019 between, among others, Orla and the Company. The loan agreement relates to a five-year credit facility to provide Orla financing in a principal amount of $125.0 million, of which the Company's aggregate financing commitment is $40.0 million. As at December 31, 2020, an aggregate of $24.0 million was drawn down by Orla under the loan agreement with the Company. The Company owned 21,057,835 common shares, 870,250 2021 warrants (the "2021 Warrants") and 10,400,000 2026 warrants (the "2026 Warrants") as at December 31, 2020, representing approximately 9.20% of the issued and outstanding common shares on a non-diluted basis and 13.49% of the issued and outstanding common shares on a partially-diluted basis, assuming exercise of the 2021 Warrants and the 2026 Warrants held by the Company. Each 2026 Warrant entitles the holder to acquire one common share at a price of C$3.00 at any time prior to December 18, 2026. Each 2021 Warrant entitled the holder to acquire one common share at a price of C$2.35 prior to February 15, 2021. The 2021 Warrants were exercised on February 8, 2021.

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.

Financing Activities

Cash used in financing activities was $302.8 million in 2020 compared with cash provided by financing activities of $10.6 million in 2019 primarily due to a $160.0 million net repayment of Senior Notes, a $84.8 million increase in dividends

paid, a $50.0 million decrease in proceeds from stock option plan exercises, and a $15.0 million increase in the repurchase of common shares between periods. Cash provided by financing activities was $274.1 million in 2018.

The Company issued common shares for net proceeds of $104.5 million in 2020 compared to $156.1 million in 2019, 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 $44.7 million in 2018, attributable to employee stock option plan exercises, issuances under the incentive share purchase plan and the dividend reinvestment plan.

In 2020, the Company paid dividends of $190.3 million ($0.95 per share) compared with $105.4 million ($0.55 per share) in 2019 and $84.0 million ($0.44 per share) in 2018. 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 7, 2020, the Company closed a $200.0 million private placement of guaranteed senior unsecured notes (the "2020 Notes"). The 2020 Notes consist of $100.0 million 2.78% Series A Senior Notes due 2030 and $100.0 million 2.88% Series B Senior Notes due 2032. The other terms of the Notes are substantially the same as the terms of the existing outstanding Notes of the Company. Proceeds from the 2020 Notes were used to partially fund the repayment at maturity of $360.0 million 2010 6.67% Series B Notes. The remaining balance of the 2010 Series B Notes was repaid using the Company's existing cash resources.

In 2020, the Company drew down $1,075.0 million from the Credit Facility, mostly as a cautionary measure given the uncertainty with respect to the COVID-19 pandemic. The outstanding balance was repaid in full in the course of the year. As at December 31, 2020, the Company's outstanding balance under the Credit Facility was nil. Credit Facility availability is reduced by outstanding letters of credit which were $0.9 million as of December 31, 2020, resulting in $1,199.1 million available for future drawdown. On December 14, 2018, the Company amended the Credit Facility to extend the maturity date from June 22, 2022 to June 22, 2023.

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 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, 2020, the aggregate undrawn face amount of letters of credit under the Third LC Facility was $65.7 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"). Effective April 23, 2020, the amount available under the Second LC Facility was increased to C$200.0 million. 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, 2020, the aggregate undrawn face amount of letters of credit under the Second LC Facility is $102.2 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, 2020, the aggregate undrawn face amount of letters of credit under the Second LC Facility is $223.6 million.

The Company was in compliance with all covenants contained in the Credit Facility, First LC Facility, Second LC Facility, Third LC Facility and the $1,575.0 million guaranteed senior unsecured notes as at December 31, 2020.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements as at December 31, 2020 include outstanding letters of credit for environmental and site restoration costs, custom credits, government grants and other general corporate purposes of $482.9 million under the Credit Facility and the LC Facilities (see Note 26 to the consolidated financial statements). If the Company were to terminate these off-balance sheet arrangements, the Company's liquidity position (as outlined in the table below) is sufficient to satisfy any related penalties or obligations.

Contractual Obligations

Agnico Eagle's contractual obligations as at December 31, 2020 are set out below:

	Total	2021	2022-2023	2024-2025	Thereafter
		(millions of United States dollars)			
Reclamation provisions[(i)]	$ 495.7	$ 15.3	$ 35.3	$ 54.5	$ 390.6
Contractual commitments[(ii)]	121.7	96.1	16.3	5.1	4.2
Pension obligations[(iii)]	64.4	3.0	4.3	23.2	33.9
Lease obligations	123.7	20.5	28.1	17.8	57.3
Long-term debt – principal[(iv)]	1,575.0	–	325.0	190.0	1,060.0
Long-term debt – interest[(iv)]	472.8	72.8	121.6	101.3	177.1
Total[(v)]	$ 2853.3	$ 207.7	$ 530.6	$ 391.9	$ 1,723.1

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 $1.2 million as at December 31, 2020.

(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.

2021 Liquidity and Capital Resources Analysis

The Company believes that it has sufficient capital resources to satisfy its 2021 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 2021:

		Amount
		(millions of United States dollars)
2021 Mandatory Commitments:		
Contractual obligations, including capital expenditures (see table above)	$	207.7
Accounts payable and accrued liabilities (as at December 31, 2020)		363.8
Net income taxes payable (as at December 31, 2020)		99.0
Total 2021 mandatory expenditure commitments	$	670.5
2021 Discretionary Commitments:		
Expected capital expenditures	$	737.1
Expected exploration and corporate development expenses		162.6
Total 2021 discretionary expenditure commitments		899.7
Total 2021 mandatory and discretionary expenditure commitments	$	1,570.2

As of December 31, 2020, the Company had adequate capital resources available to satisfy its commitments, which include cash, cash equivalents and short-term investments of $406.5 million, working capital (excluding cash, cash equivalents and short-term investments) of $325.0 million and an undrawn $1.2 billion Credit Facility. In addition, the Company anticipated funding its commitments through cash provided by operating activities.

While the Company believes its capital resources will be sufficient to satisfy all 2021 commitments (mandatory and discretionary), the Company may choose to decrease certain of its discretionary expenditure commitments, which include certain capital expenditures and exploration and corporate development expenses, should unexpected financial circumstances arise in the future. The Company believes that it will continue to have sufficient capital resources available to satisfy its planned development and growth activities. See *Outlook* and *Risk Profile – Impact of COVID-19 on the Company's Business and Operations* in this MD&A.

In January and February 2021, the Company drew down $0.2 billion on its $1.2 billion Credit Facility. The Company drew down these funds partly in connection with managing working capital and partly in connection with the acquisition of TMAC Resources Inc ("TMAC") which closed on February 2, 2021. The expenditures associated with the TMAC transaction are not included in the table above. See *Outlook* for more details.

In February 2021, Moody's initiated their inaugural credit rating on Agnico Eagle and assigned a Baa2 issuer rating with a Stable outlook. This should result in a reduction in future financing costs for the Company.

Quarterly Results Review

For the Company's detailed 2020 and 2019 quarterly financial and operating results see *Summarized Quarterly Data* in this MD&A.

Revenues from mining operations increased by 23.3% to $928.4 million in the fourth quarter of 2020 compared with $753.1 million in the fourth quarter of 2019, which was primarily due to a 26.0% higher average realized price of gold between periods.

Production costs of $374.9 million in the fourth quarter of 2020 were essentially the same compared with production costs of $375.0 million in the fourth quarter of 2019.

Exploration and corporate development expenses increased by 64.3% to $39.0 million in the fourth quarter of 2020 compared with $23.8 million in the fourth quarter of 2019, primarily due to increased exploration drilling at the Odyssey project and at the Upper Beaver project.

Amortization of property, plant and mine development increased by 16.4% to $175.0 million in the fourth quarter of 2020 compared with $150.3 million in the fourth quarter of 2019 primarily due to an increase in the tonnes of ore processed at the Canadian Malartic, Pinos Altos and Meliadine mines. Net income of $205.2 million was recorded in the fourth quarter of 2020 after income and mining taxes expense of $88.8 million compared with a net income of $331.7 million in the fourth quarter of 2019 after income and mining taxes expense of $172.3 million.

Cash provided by operating activities increased by 56.7% to $403.5 million in the fourth quarter of 2020 compared with $257.5 million in the fourth quarter of 2019. The increase in cash provided by operating activities was primarily due to a $175.3 million increase in revenues from mining operations due to higher average realized prices of gold and silver, partially offset by a $15.2 million increase in exploration and corporate development costs between periods.

Outlook

The following section contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. **The Company continues to monitor the implications of the worldwide pandemic caused by the novel strain of coronavirus known as COVID-19. The manner and extent that the pandemic, and measures taken as a result of the pandemic by governments and others, will affect the Company in ways that cannot be predicted with certainty.** See *Forward-Looking Statements and Impact of COVID-19 on the Company's Business and Operations* in this MD&A for a discussion of assumptions and risks relating to such statements and information and a discussion of the certain risks facing the Company relating to the pandemic.

2021 and 2022 Outlook Update

The mid-point of payable gold production guidance for 2021 and 2022 is 2.05 and 2.1 million ounces, respectively, which is unchanged from the outlook provided on February 13, 2020. At this time, gold production guidance excludes production from the newly acquired Hope Bay deposits.

2020 Results Comparison to 2020 Outlook

Gold Production and Costs

On March 24, 2020, the Company announced that it was withdrawing its full year 2020 production and cash costs outlook, both Company-wide and at each of its mines, that had been released on February 13, 2020. The withdrawal of this outlook was a result of the reduction in the production activity at the Company's Quebec and Nunavut mines resulting from the Quebec Order and the Company's decision to send home its Nunavut-based workforce, together with the uncertainties with respect to future developments, including the duration, severity and scope of the COVID-19 outbreak and measures taken to contain the outbreak. At the time of the withdrawal of this outlook, the assumption that the Company's Quebec and Nunavut mines could continue operating in the normal course in light of the COVID-19 outbreak was no longer valid.

On April 30, 2020 and in subsequent news releases, the Company provided a new outlook for 2020 regarding Company-wide expected payable gold production volumes and cash costs (the "New Outlook"). Payable gold production for the full year 2020 was 1,736,568 ounces, slightly higher than the New Outlook range of approximately 1.68 and 1.73 million ounces. Total cash costs per ounce of gold produced on a by-product basis for the full year 2020 was $775, which was within the New Outlook range of approximately $740 to $790.

Capital Expenditures and All-In Sustaining Costs per Ounce of Gold Produced

The New Outlook for 2020 included capital expenditures and all-in sustaining costs per ounce of gold produced. These updates were necessary as a result of the suspension or reduction of mining operations at the Company's various mines discussed above.

Total capital expenditures (including sustaining capital) for the full year 2020 was $773.0 million, compared to the New Outlook range of approximately $720.0 to $740.0 million. The increase in capital expenditures compared to the previous guidance is primarily related to additional spending at the Kittila and Meliadine mines and the Meadowbank Complex and the buyback of a royalty at the Hammond Reef project.

At the Kittila mine, approximately $20.0 million of additional capital expenditures resulted from the acceleration of costs in connection with the completion of the mill expansion, the construction of the NP4 tailings pond and the construction of the discharge waterline. At the Meliadine mine, approximately $10.0 million of additional capital expenditures resulted from the accelerated stripping of the Tiriganiaq open pit. At the Meadowbank Complex, approximately $11.0 million of additional capital expenditures were incurred due to the acceleration of development at the IVR pit.

All-in sustaining costs per ounce of gold produced on a by-product basis for the full year 2020 were $1,051, which was within the New Outlook range of approximately $1,025 to $1,075.

Exploration and Corporate Development Expense

Exploration and corporate development expense for the full year 2020 was $113.5 million, slightly lower than the New Outlook of approximately $114.9 million.

Amortization of Property, Plant and Mine Development

Amortization of property, plant and mine development expense for the full year 2020 was $631.1 million in 2020, which was within the New Outlook range of approximately $600.0 to $650.0 million.

General and Administrative Expense

General and administrative expenses for the full year 2020 was $116.3 million, which was within the New Outlook range of approximately $102.0 to $120.0 million.

Operations Outlook

LaRonde Complex

In 2020, the Company strengthened ground support and revised seismic protocols in the West mine area. In 2021, approximately 15% of the tonnage mined and 21% of the gold produced at the LaRonde Complex is expected to be from the West mine area.

The Company continues to focus on its automation strategy to improve productivity and allow for the continuation of mucking activities during non-entry protocols related to seismicity. The target for 2021 is to muck over 17% of the total tonnage for the LaRonde Complex using automated methods. Work is also ongoing so that the Company can commence production drilling using automation techniques.

Infrastructure continues to be developed to provide further access to mine LaRonde 3 below level 311. Construction of the level 308 East mine cooling plant was completed in December 2020 and it is expected to be commissioned in the first quarter of 2021.

At Zone LR11-3, development from level 146 of the LaRonde mine continues on schedule and dewatering of the previously mined area is ongoing. The zone is expected to be reached in the second half of 2021 and production activities are expected to begin in 2022.

In order to continue tailings deposition over the remaining LaRonde mine life, a drystack tailings facility is under construction which is expected to be operational by the end of 2022. Drystacking will help limit the footprint of the new tailings facility and facilitate the closure of the main tailings ponds.

To examine and drill test the potential of under-explored areas located 1.0 to 3.0 kilometres from surface below LZ5 and west of the 20N Zone, three exploration drifts are planned to be developed in 2021. At a depth of 1.1 kilometres below surface, the rehabilitation of the exploration trackdrift on level 9 is on-going and is expected to be ready for exploration drilling in the fourth quarter of 2021. At a depth of 2.2 kilometres below surface, the trackdrift on level 215 that extends westward from the LaRonde mine will be rehabilitated and extended over the next two years. At a depth of 2.8 kilometres below surface, the development of exploration drift 290w is underway.

Goldex Mine

The Goldex Deep 1 project (the top part of the Deep Zone, between 850 and 1,200 metres depth) has been in production since July 2017. An exploration ramp that began construction in 2018 from level 120 (1,200 metres depth) continues to extend into the Deep 2 Zone (the bottom part of the Deep Zone, between 1,200 and 1,800 metres depth). In 2021, the Company continues to evaluate the potential to increase mining rates in the Deep 1 and Deep 2 zones as well as the South Zone. Mineralization at Deep 2 remains open laterally and at depth, while the South Zone is open in all directions. Exploration in 2021 is expected to focus on expanding and upgrading the mineral reserves and mineral resources in each of these zones.

The development pace of the South Zone remained high in the fourth quarter of 2020, as the Company prioritized lateral development over stoping. The majority of the development has now been completed and production levels from the

South Zone are expected to increase in the first quarter of 2021. The Company continues to evaluate the potential for the South Zone to provide additional incremental ore feed and grade flexibility to the Goldex mill.

Meadowbank Complex

In the fourth quarter of 2020, production rates at the Amaruq open pit continued to show consistent improvement and achieved record quarterly production of approximately 3.8 million tonnes mined per month. A strong performance was also achieved in production drilling in both the IVR and Whale Tail pits, which resulted in a significant increase in total broken ore inventory. The good availability of the production fleet (due to improved maintenance in 2020), the optimization of the equipment dispatch, the commissioning of two new 777D haul trucks and two new 650 Sandvik drills and the increased face availability in the pit were determining factors for the strong operational performance. Mining activities are expected to remain at similar levels in 2021.

Improving the reliability of the long-haul truck ("LHT") fleet remains a focus. Good road conditions, reliability improvements, the addition of four new LHTs and favourable caribou migration patterns this fall allowed for effective utilization of the LHT fleet in the fourth quarter of 2020.

A contractor fleet of three 100-tonne trucks and a dedicated loader remained active in the fourth quarter of 2020 to accelerate the development of the IVR pit and provide additional production flexibility in 2021.

The delineation of higher-grade mineralization at depth below the proposed open pits at the Amaruq satellite deposit led to the decision to construct an exploration ramp into the Whale Tail deposit in 2017. Ramp development commenced in 2018 using a phased approach in order to manage capital costs. In 2020, work on the underground project was reduced due to the restrictions on mining activities in the second quarter of 2020 in response to the COVID-19 pandemic and as the Company focused its priorities on completing the ramp-up of open pit mining activities at Amaruq. With open pit mining operations now satisfactory, the Amaruq underground project has now been approved for development and first gold production is expected in early 2022. The objective is to mine higher-grade underground portions of the deposit in conjunction with the open pits.

The existing exploration portal and ramp will also be used for development and production. The exploration ramp is currently at a depth of approximately 340 metres below surface and in 2021, approximately 2,421 metres of underground development are planned. A traditional truck and scoop tram approach has been selected for underground mucking and hauling. Once at surface, ore will be moved by long haul trucks for treatment at the Meadowbank processing plant.

The mining rate at Amaruq underground is expected to start at 1,500 tpd and then ramp-up to 2,300 tpd. Over the five-year mine life, the average mining rate is expected to be approximately 2,000 tpd. The mine plan includes a pre-production period with operational ramp-up from the second quarter of 2021 to the third quarter of 2022. Commercial production is expected in the fourth quarter of 2022 and production is expected to continue until the end of 2026.

Ore from the underground mine will be prioritized for transportation to the Meadowbank processing plant as it is expected to have a higher gold content. Underground tailings will be mixed with open pit tailings prior to deposit in-pit at the Meadowbank site.

The underground mineralization is open in several directions. Any potential increase in surface mining activities could lead to increased underground production. In 2021, exploration activities at the Meadowbank Complex are focused on delineating new near surface ore sources.

Meliadine Mine

At the Tiriganiaq open pit, overburden stripping has been accelerated using a contractor to provide additional mining flexibility for both tonnage and grade in 2021. Pre-commercial gold production at Tiriganiaq is expected to be approximately 29,000 ounces in 2021.

Underground performance continued to improve in 2020, peaking in December at 3,744 tpd. Stope mining in the recently dewatered and recommissioned higher grade RP3 mining horizon continued at a good rate and without any increase to the ground water inflows. This new horizon is expected to provide additional mining flexibility for both tonnage and grade in 2021.

In 2021, milling rates are expected to average approximately 4,600 tpd. The Phase 2 mill expansion remains on track and is expected to increase throughput to approximately 6,000 tpd in 2025.

Permitting activities in connection with the Water License Amendment are continuing. The application includes a long-term increase of total dissolved solids and an alternative to divert surface contact water to the waterline to provide additional flexibility to the operation. The technical meeting was completed in 2020 and the community information session and

pre-hearing conference was completed on January 19, 2021. The public hearing with the Nunavut Water Board is now scheduled for April 1-2, 2021. The Company expects to receive the water license amendment approval in May or June 2021.

Positive drilling results at the Discovery deposit have allowed the Company to declare an initial probable mineral reserve at December 31, 2020 of 363,000 ounces of gold (2.1 million tonnes grading 5.41 g/t gold) at underground depths, including mineralization accessible by crown pillar mining methods. The Company believes the Discovery deposit could be developed into a satellite mining operation to provide ore feed to the existing mill facility at the Meliadine mine, and expects to complete an internal technical evaluation of the Discovery deposit in 2021.

The Discovery deposit remains open to the east at depth, along a steep plunge corresponding to the main ore shoot. Drilling at Discovery in 2021 will continue to test the deposit's main plunge as well as the parallel ore shoot to the west at depth to expand the mineral resources and to continue converting inferred mineral resources to indicated mineral resources.

Canadian Malartic Mine

In 2020, the Partnership approved the start of construction of surface infrastructure and an underground exploration ramp into the East Gouldie, Odyssey and East Malartic zones, collectively known as the Odyssey project. This ramp will provide additional access for exploration drilling to expand and upgrade the current mineral resource base, and allow for bulk sampling of up to 40,000 tonnes of mineralized material. The Odyssey project exploration ramp portal was completed during the fourth quarter of 2020. At year-end 2020, the ramp had progressed 102 metres and an additional 1,500 metres of ramp is planned in 2021.

Production using the ramp is expected to begin at Odyssey South in late 2023, increasing up to 3,500 tpd in 2024. Collaring of the shaft and installation of the headframe is expected to commence in the second quarter of 2021, with shaft sinking activities expected to begin in late 2022. The shaft will have an estimated depth of 1,800 metres and the first loading station is expected to be commissioned in 2027 with modest production from East Gouldie. The East Malartic shallow area and Odyssey North are scheduled to enter production in 2029 and 2030, respectively.

Capital expenditures from 2021 to 2028 are expected to total approximately $1.34 billion (on a 100% basis), which includes $1.1 billion in initial capital expenditures and $191.0 million in additional growth capital expenditures. During the 2021 to 2028 period, gold production is forecast to be approximately 932,000 ounces at total cash costs of approximately $800 per ounce.

Average annual payable production is approximately 545,000 ounces of gold from 2029 to 2039, at total cash costs per ounce of approximately $630. Sustaining capital expenditures are expected to gradually decline from 2029 to 2039, with an expected average of approximately $56.0 million per year.

The forecast parameters surrounding the Company's proposed operations at the Odyssey project were based on the results of an internal technical study which were incorporated into section 24 of a NI 43-101 technical report for the Canadian Malartic operation (the "CM Report"). The CM Report 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 basis for the CM Report and the qualifications and assumptions made by the qualified person who undertook the CM Report are set out in the Company's news release dated February 11, 2021. The results of the CM Report had no impact on the results of any pre-feasibility or feasibility study in respect of the Odyssey project.

Hope Bay Mine

On February 2, 2021, Agnico Eagle completed the acquisition of TMAC for consideration of approximately $226.0 million, consisting primarily of cash used to purchase all outstanding shares of TMAC. In connection with the transaction, TMAC's outstanding debt of $134.0 million was repaid. The acquisition also triggered a one-time option to buy-back a 1.5% net smelter return royalty on Hope Bay property from Maverix Metals Inc. which was purchased for $50.0 million.

With the acquisition of TMAC, the Company acquired a 100% interest in the Hope Bay Property, which is located in the Kitikmeot region of Nunavut. The 80-kilometer long Hope Bay greenstone belt hosts three gold deposits (Doris, Madrid and Boston), with historical mineral reserves and mineral resources and over 90 regional exploration targets. Agnico Eagle believes that the Hope Bay property is similar in scale and scope to its Meliadine property.

In 2021, the Company expects to continue mining at the Doris deposit while undertaking optimization efforts. Assuming a gold price of $1,750 per ounce and a US$/C$ foreign exchange rate of 1.30, Hope Bay is forecast to be approximately cash flow neutral in 2021. The Hope Bay mine is not currently included in the Company's production, cost or capital expenditure

guidance for 2021. On a quarterly basis during 2021, the Doris deposit is expected to produce approximately 18,000 to 20,000 ounces of gold at total cash costs per ounce of $950 to $975.

In 2021, the Company expects to initiate a property wide exploration program and evaluate the Madrid and Boston deposits for future production. The Company believes that the Hope Bay mine could ultimately produce 250,000 to 300,000 ounces of gold per year at reasonable costs and capital spending levels.

Kittila Mine

In 2020, the Kittila mine achieved a record full year ore production of approximately 1.85 million tonnes. This performance is driven by improved fleet management and increased usage of automation. The mine has been testing autonomous hauling trucks and tele-remote equipment and is targeting to achieve 50% of production drilling and 15% of hauling remotely in 2021.

The commissioning of the expanded mill was completed ahead of schedule and the ramp-up towards the design capacity of 2.0 mtpa is on-going. Two strategically important environmental construction projects to increase the mill production rate, the NP4 tailings pond and the discharge waterline, were completed and commissioned in the fourth quarter of 2020. With the completion of these projects, Kittila production flexibility has significantly improved for 2021.

The shaft sinking project execution remains challenging due to COVID-19 travel restrictions. Local resources have been added to the shaft sinking contractor team and commissioning is expected to be completed during the first half of 2022. The budget for the Kittila expansion project was updated in the third quarter of 2020 and is still forecast to be between €190.0 to €200.0 million.

Pinos Altos Mine

During 2020, the Cerro Colorado mining sequence was adjusted to manage challenging ground conditions. The reconditioning activities in the affected area were completed in the fourth quarter of 2020. The stopes that had been planned to be mined in 2020 but were unavailable are expected to be mined in future years. A revised mining plan has been adopted which balances reduced tonnage from Cerro Colorado with increased production from other zones. Underground development has been accelerated in those alternate mining areas in preparation for 2021.

In addition, a third-party audit on Cerro Colorado ground conditions has been completed and a preliminary analysis was reviewed in the fourth quarter of 2020. A proposed action plan, which includes adjustments to the planning process, ground support, mining methods and mining sequence, will be implemented in the first quarter of 2021.

At the Sinter deposit, located approximately two kilometers northwest of the Pinos Altos mine site, production started in the fourth quarter of 2020. The underground mine is expected to provide additional flexibility to the Pinos Altos operation in 2021.

At the Cubiro deposit, positive exploration drilling results from the 2020 exploration program has allowed the Company to declare probable mineral reserves at Cubiro of 143,000 ounces of gold and 860,000 ounces of silver (1.5 million tonnes grading 3.00 g/t gold and 18.02 g/t silver) at underground depths. The Company is evaluating the potential to bring the deposit into production in 2022.

La India Mine

The La India heap leach pad construction phase III is approximately 70% complete and it is expected to be finished in the second quarter of 2021.

The Company continues to perform evaluation work and scenario analysis on the Chipriona deposit and other sulphide opportunities. The Chipriona deposit is located approximately one kilometer north of the La India mine.

Production Summary

The Company now has five cornerstone production assets (the LaRonde and Meadowbank Complexes and the Canadian Malartic, Kittila and Meliadine mines) each with annual production rates of approximately 250,000 to 400,000 ounces of payable production of gold. In 2020, the Company achieved payable gold production of 1,736,568 ounces. As the Company optimizes this expanded production platform, it expects to continue to deliver on its vision and strategy. The Company expects that the main contributors to achieving the targeted levels of payable gold production, mineral reserves and mineral resources in the near term will include:

- continued ramp-up of the Nunavut operations;

- continued mill and mine plan optimization; and
- continued conversion of Agnico Eagle's current mineral resources to mineral reserves.

Financial Outlook

As of the date of this MD&A, the Company does not expect that the COVID-19 pandemic will affect its planned 2021 capital expenditure and exploration program, but cannot provide any assurances that proposed capital expenditure or exploration activities will not be delayed, postponed or cancelled whether as a result of the COVID-19 pandemic, measures taken associated with the pandemic or otherwise. See *Forward-Looking Statements and Impact of COVID-19 on the Company's Business and Operations* in this MD&A for a discussion of assumptions and risks relating to such statements and information and a discussion of the certain risks facing the Company relating to the pandemic.

Revenue from Mining Operations and Production Costs

In 2021, the Company expects to continue to generate solid cash flow with payable production of approximately 2,047,500 gold ounces (including 29,000 ounces of pre-commercial production at the Meliadine mine relating to the Tiriganiaq open pit but excluding production at the Hope Bay mine) compared with 1,736,568[(i)] ounces in 2020. This expected increase in payable production of gold ounces is primarily due to the expected return to normal operations at all of the Company's mine sites following measures being put in place in response to the COVID-19 pandemic and continued ramp-up of production at the Meliadine mine and the Amaruq satellite deposit.

Note:

(i) Includes 36,416 ounces of payable production of gold associated with the Barnat deposit at the Canadian Malartic mine, the IVR deposit at the Meadowbank Complex and the Tiriganiaq open pit deposit at the Meliadine mine which were produced prior to the achievement of commercial production at these sites.

The table below sets out actual payable production in 2020 and expected payable production in 2021 (excluding Hope Bay):

	2021 Forecast	**2020 Actual**
Gold (ounces)	2,047,500	1,736,568
Silver (thousands of ounces)	3,143	3,365
Zinc (tonnes)	7,326	6,259
Copper (tonnes)	3,226	3,069

In 2021, the Company expects total cash costs per ounce of gold produced on a by-product basis to be between $700 and $750. At the LaRonde Complex total cash costs per ounce of gold produced on a by-product basis is expected to be approximately $587 compared with $517 in 2020. 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 Complex'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 $733 in 2021 at the LaRonde Complex compared with $664 in 2020.

As production costs at the LaRonde and Meadowbank Complexes as well as the Goldex, 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 and La India mines are incurred in Mexican pesos, the US dollar/Canadian dollar, US dollar/Euro and US dollar/Mexican peso 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 2021 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, 2021 through February 28, 2021:

		2021 Assumptions		Actual Market Average (January 1, 2021 - February 28, 2021)
Silver (per ounce)	$	22.00	$	26.58
Zinc (per tonne)	$	2,205	$	2,726
Copper (per tonne)	$	6,614	$	8,217
Diesel (C$ per litre)	$	0.65	$	0.75
US$/C$ exchange rate (C$)	$	1.30	$	1.27
US$/Euro exchange rate (Euros)	€	0.83	€	0.82
US$/Mexican peso exchange rate (Mexican pesos)		20.00		20.11

See *Risk Profile – Commodity Prices and Foreign Currencies* in this MD&A for the expected impact on forecast 2021 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 2021, Agnico Eagle expects to incur exploration and corporate development expenses of approximately $162.6 million.

A large component of the 2021 exploration program will include programs at the Kittila mine in Finland, the Canadian Malartic mine and LaRonde Complex in the Abitibi region of northwest Quebec, the Kirkland Lake project in northeastern Ontario, the Meliadine and Hope Bay mines in Nunavut, and the Santa Gertrudis project, Pinos Altos and La India mines in Mexico. The objective of these exploration programs is to build on recent exploration success in order to identify additional mineral resources and convert mineral resources into mineral reserves as part of the Company's general strategy to develop the full potential of existing operations and the project pipeline.

At the Kittila mine, the Company expects to spend $14.3 million for 74,500 metres of drilling focused on the Main zone in the Roura and Rimpi areas as well as the Sisar zone. The drilling includes 65,000 metres of capitalized conversion drilling at the mine as described above and 9,500 metres of expensed exploration drilling on targets beyond the current mineral resource area, especially at depth.

At the Canadian Malartic mine, the Partnership expects to spend $11.9 million (50% basis) for 141,400 metres (100% basis) of exploration and conversion drilling focused on infilling the East Gouldie zone to improve confidence in the mineral resource and refine the geological model. With ramp development underway as part of the Odyssey project, the Partnership will be able to initiate underground conversion drilling from the ramp in 2021. The Partnership is planning to spend another $3.1 million (50% basis) on 32,000 metres (100% basis) on exploration drilling to test other regional targets at Canadian Malartic, including the Rand Malartic and East Amphi properties.

At the LaRonde Complex, the Company expects to spend $14.1 million to develop new exploration drifts from the LaRonde 3 infrastructure towards the west below the LZ5 mine workings and for 39,800 metres of drilling into multiples targets including Zone 5, Zone 6, Zone 20N and the recently discovered Zone 20N Zn South with the aim of adding new mineral reserves and mineral resources to extend the mine life of the LaRonde Complex into the 2030's.

At the Goldex mine, the Company expects to spend $6.5 million for 67,500 metres, including 61,500 metres of conversion and 6,000 metres of exploration drilling, focused on the M, Deep 1, Deep 2 and South zones.

At the Kirkland Lake project in Ontario, the Company expects to spend $14.0 million for 52,200 metres, including $9.1 million for 36,500 metres of exploration and conversion drilling at the Upper Beaver deposit in preparation for an internal evaluation expected to be completed at the end of 2021. Elsewhere at the Kirkland Lake project, another $4.9 million in expenditures is planned for 15,700 metres of drilling on several targets including the Upper Canada deposit.

At the Meadowbank Complex, the Company expects to spend $7.0 million for 34,900 metres of drilling, including 23,900 metres of conversion and 11,000 metres of exploration drilling, focused at testing open-pit extensions and further underground potential of the deposits at the Amaruq satellite operation.

At the Meliadine mine, the Company expects to spend $8.3 million for 44,000 metres of capitalized exploration with a focus on conversion drilling at the Tiriganiaq, Normeg and Wesmeg deposits, as well as exploration drilling of the Tiriganiaq, Wesmeg, Pump and F-Zone deposits, which are all open at depth.

Elsewhere in the Kivalliq region of Nunavut, the Company expects to spend $9.0 million for 20,600 metres of drilling on regional exploration, including 10,000 metres of drilling in the Meadowbank area and 7,000 metres of drilling in the Meliadine area with a primary focus on investigating for new open-pit potential near existing infrastructure. Another 3,600 metres are expected to be drilled on other exploration targets in the region.

At the Hope Bay mine, the Company expects to spend $16.2 million for 69,600 metres of drilling, including $5.5 million for 29,800 metres of delineation drilling to support production at the Doris mine and $10.7 million for 39,800 metres of drilling on exploration targets around the Doris, Madrid and Boston deposits and other targets along the belt. The Company is currently evaluating exploration priorities and drilling to be performed on each program and may adjust the allocation during the course of 2021.

At the Santa Gertrudis project in Sonora, Mexico, the Company expects to spend $11.0 million for 30,000 metres of drilling that will be focused on expanding the mineral resource, testing the extensions of high-grade structures such as the Amelia deposit, exploring new targets and completing metallurgical test work. An updated mineral reserve and mineral resource estimate and an updated preliminary economic assessment are expected to be completed in 2021.

At the Pinos Altos mine, the Company expects to spend $3.9 million for 20,000 metres of drilling, including 10,000 metres to infill and expand the mineral resource at Cubiro and as well as exploration drilling to test the depth potential of the Cerro Colorado, Santo Nino and Reyna East zones and other targets on the property.

At the La India mine, the Company expects to spend $4.0 million for 20,000 metres of drilling to investigate for shallow, near surface oxide targets and to grow and infill the Chipriona polymetallic sulphide deposit.

Exploration programs are designed to infill and expand known deposits and test other favourable target areas that could ultimately supplement the Company's existing production profile. Exploration is success-driven and thus planned exploration could change materially based on the interim results of the various exploration programs. When it is determined that a project can generate future economic benefit, the costs of drilling and development to further delineate the ore body on such a property are capitalized. In 2021, the Company expects to capitalize approximately $44.6 million of drilling and development costs related to further delineating ore bodies and converting mineral resources into mineral reserves.

Amortization of Property, Plant and Mine Development

Amortization of property, plant and mine development expense is expected to be between $700.0 million and $750.0 million in 2021 compared with $631.1 million in 2020.

Other Expenses

General and administrative expenses are expected to be between $115.0 million and $135.0 million in 2021 compared with $116.3 million in 2020. In 2021, the Company expects additional other expenses to be approximately $10.0 million in connection with sustainable development activities in the Abitibi region of Quebec.

Capital Expenditures

Capital expenditures, including sustaining capital, construction and development costs and capitalized exploration costs, are expected to total approximately $803.0 million in 2021. The Company expects to fund its 2021 capital expenditures through operating cash flow from the sale of its gold production and the associated by-product metals. Significant components of the expected 2021 capital expenditures program include the following:

- $351.4 million in sustaining capital expenditures relating to the LaRonde Complex ($95.3 million), Canadian Malartic mine ($71.5 million – 50% portion attributable to the Company), Meliadine mine ($46.1 million), Meadowbank Complex ($40.4 million), Kittila mine ($40.3 million), Pinos Altos mine ($28.1 million), Goldex mine ($18.1 million), La India mine ($7.0 million) and other projects ($4.6 million);

- $407.0 million in capitalized development expenditures relating to the Amaruq underground project ($99.0 million), Meliadine mine ($64.8 million), Canadian Malartic mine ($61.9 million – 50% portion attributable to the Company),

Kittila mine ($61.7 million), the LaRonde Complex ($51.7 million), Pinos Altos mine ($26.6 million), Goldex mine ($19.2 million), La India mine ($16.4 million), and Meadowbank Complex ($5.7 million); and

- $44.6 million in capitalized exploration expenditures.

In 2021, a significant portion of the Company's capital commitments are expected to relate to the construction of the Amaruq underground project, the Odyssey project at the Canadian Malartic mine and the underground shaft at the Kittila mine. The capital commitments related to these projects are forecast to be approximately $99.0 million, $61.9 million and $61.7 million in development expenditures which represents 12.3%, 7.7% and 7.7% respectively of the expected $803.0 million in total capital expenditures in 2021.

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

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 option expense), lease payments related to sustaining assets and reclamation expenses, and then dividing by the number of ounces of gold produced. The all-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as the all-in sustaining costs per ounce of gold 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.

Agnico Eagle's all-in sustaining costs per ounce of gold produced on a by-product basis are expected to be approximately $950 to $1,000 in 2021 compared with $1,051 in 2020.

Risk Profile

The Company is subject to significant risks due to the inherent nature of the business of exploration, development and mining of properties with precious metals. The risks described below are not the only ones facing the Company. The risk factors below may include details of how the Company seeks to mitigate these risks where possible. For a more comprehensive discussion of these inherent risks, see "Risk Factors" in our most recent Form 40-F/AIF on file with the SEC and Canadian provincial securities regulatory authorities.

Impact of COVID-19 on the Company's Business and Operations

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world, with resulting business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Further, the extent and manner in which COVID-19, and measures taken by governments, the Company or others to attempt to reduce the spread of COVID-19, may affect the Company and cannot be predicted with certainty.

COVID-19 and these measures have had and may continue to have an adverse impact on many aspects of the Company's business including, employee health, workforce productivity and availability, travel restrictions, contractor availability, supply availability, ability to sell or deliver gold dore bars or concentrate, the Company's ability to maintain its controls and procedures regarding financial and disclosure matters and the availability of insurance and the costs thereof, some of which, individually or when aggregated with other impacts, may be material to the Company. Measures taken by governments, the Company or others could result in the Company reducing or suspending operations at one or more of its mines.

In response to the Quebec Order, the Company took steps to ramp down its operations in the Abitibi region of Quebec (the LaRonde, LaRonde Zone 5, Goldex and Canadian Malartic mines). During the period of suspension, each of these operations remained on temporary suspension, and minimal work took place. With the lifting of the Quebec Order, commencing on April 15, 2020, the Company restarted operations in the Abitibi region, ramped up production gradually to regular capacity over the course of the second quarter of 2020. The Company continued to manage tracing, isolation and disinfection protocols, and maintain open communication channels with various ministries and local authorities throughout the second half of 2020 and through the first few months of 2021.

As a result of the Quebec Order, the Company also significantly reduced activities at the Meliadine mine and Meadowbank Complex in Nunavut, which are fly-in/fly-out mining camps, serviced out of Quebec. Mining and milling activities in the

Nunavut operations gradually returned to normal levels and were ramped up to full capacity in June 2020. Following the ramp-up period, the Company's Nunavut operations continued to effectively manage tracing, isolation and disinfection protocols, and made arrangements to acquire a new testing lab to implement more frequent re-testing of employees on-site during their rotation. In Nunavut, the Kivalliq region reported its first COVID-19 cases in November 2020 and the government of Nunavut implemented mandatory, territory-wide restrictions. The Company's local team provided rapid and effective assistance, including snow removal, providing financial support for equipment rental and manpower, and funding food hampers and health and safety supplies for affected communities.

Following the declaration of a state of public health emergency relating to COVID-19 by the Government of Nunavut, the Company also decided to send home its Nunavut-based workforce from its Meliadine and Meadowbank operations as well as its exploration projects, as part of an effort to limit the risk of spread of COVID-19 in Nunavut. There is currently no set date for the Nunavut-based workforce to return to work; however, as the distribution of COVID-19 vaccines has begun in local Nunavut communities, the Company is preparing to reintegrate the Nunavut-based workforce to its operations in the course of 2021. The Company is in regular discussions with community leaders, the Nunavut chief medical officer and local government officials to establish when and how a return to work could be accomplished while maintaining the safety of Nunavut communities.

In response to the Decree, mining operations at the Company's Mexican operations (Pinos Altos, Creston Mascota and La India mines) were ramped down. Most of the activity at these operations was suspended by the Company with the exception of heap leaching at the Creston Mascota and La India mines. The Company re-started operations on May 18, 2020 and gradually ramped up production to normal levels at all mines by the end of June 2020. Throughout the second half of 2020 and through the first few months of 2021, the Company's Mexican operations continued to reinforce screening and testing protocols to detect COVID-19 cases prior to permitting entrance to its sites and to control the spread of the virus amid rising numbers of confirmed COVID-19 cases in the states of Chihuahua and Sonora where the Company's mines are located.

The government of Finland did not mandate the suspension of business activities to respond to the COVID-19 pandemic. With the exception of a 3-day mine shutdown in April 2020 to manage one positive COVID-19 case, underground and mill operations operated at normal levels in the course of the second quarter under new preventive and safety protocols. However, as a result of travel restrictions, shaft sinking activities were not resumed until July 2020 which required the addition of local resources. As a result of the COVID-19 restrictions, the completion of the project will be delayed by 6 months until the first half of 2022. The Company also opened a COVID-19 testing facility to provide testing capacity to employees and contractors at the site as well as to residents in the Kittila municipality.

In response to each region's government-mandated restrictions, exploration drilling at certain projects was temporarily suspended and exploration offices were closed during the second quarter of 2020. By the end of June, most sites restarted their activities, with the focus on pipeline projects, near mine opportunities and reserve and resource replacement, and work continued with little interruption at major projects through the balance of 2020.

As a result of the COVID-19 pandemic, the Company took action to help prevent the spread of the outbreak at its sites and protect its employees, contractors and the communities in which it operates. The Company is continuing to adjust protocols in response to the second wave of COVID-19. The enhanced health and safety measures included:

- screening employees and contractors before entering the Company's sites for potential symptoms of COVID-19, including setting up mobile laboratories for on-site testing for COVID-19 at the Nunavut sites as well as at the Val d'Or and Mirabel airports that are used to service the Nunavut sites;
- adopting isolation protocols for people exhibiting symptoms, who have traveled recently, or who were in close contact with a confirmed or probable COVID-19 case;
- contact tracing of individuals that may have been exposed to the virus;
- increasing cleaning and disinfection services in lunchrooms, change areas and workplaces; and
- modifying of mining protocols to facilitate physical distancing.

Some of the measures implemented to manage the COVID-19 outbreak are expected to remain in place for the foreseeable future and will increase the production costs at the Company's operations. These costs relate mostly to increased sanitizing personnel, personal protective equipment ("PPE"), testing of employees and contractors, operating of testing labs, additional employee transportation, and supplies and health support to surrounding communities.

Due to border closures and travel restrictions imposed by federal, provincial, state and local governments, the Company suspended non-essential travel for all employees, including non-essential visits to the Company's mines and projects. The Company also initially instituted a change to the shift rotation of its employees at Nunavut sites, which operate as fly-in/fly-out

camps, to 28 days from 14 days to increase the safety of its employees and the communities; however, with the new screening and testing protocols in place, the shift rotation went back to the usual 14 days in June 2020. In addition, while the Company's corporate office and regional offices were initially closed, and employees were requested to work from home, these offices were subsequently re-opened under new hygiene and physical distancing protocols. As employees whose work does not require physical presence in the office continue to work remotely, the Company has utilized various technology solutions to limit the adverse impact of travel restrictions and remote work arrangements on the Company's ability to operate and adhere to its business goals. Further measures taken by governments, the Company or others related to COVID-19 may adversely affect workforce productivity and availability, including the ability to transport personnel to and from the mine sites located in Nunavut.

The Company continues to assess the logistics challenges to its supply chain and distribution methods to deliver its dore bar and concentrate products from mines to third-party refineries and smelters. The Company has observed limited impact to the supply chain to date. The Company has sufficient stock of critical components and has worked closely with its key suppliers to secure future delivery of materials. Inventory of PPE, tires, cyanide, reagents and other critical parts has been increased at all sites. The sealift season, delivering materials and equipment to Nunavut operations, was completed with no significant interruption. Similarly, the Company has not experienced significant disruption to its distribution network and ability to deliver its products to smelting and refining facilities or ability to sell finished products to its customers. However, further measures taken by governments, the Company or others related to COVID-19 may adversely affect the Company's availability of supplies or its ability to sell or deliver gold dore bars or concentrate.

There are significant uncertainties with respect to future developments and impact on the Company related to the COVID-19 pandemic, including the duration, severity and scope of the outbreak and any current or further measures taken by governments, the Company and others in response to the pandemic. While the Company worked closely with the authorities and mining associations to have mining classified as an essential business both by the Quebec and Mexican governments, further suspension or reduction of operations may be required by the Company in response to additional government measures or other measures that the Company otherwise deems appropriate.

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, including share purchase warrants. Cash and cash equivalents, short-term investments and trade receivables are generated by the Company's operations. Equity securities and share purchase warrants are generally strategic investments made in other mining companies.

Using financial instruments exposes the Company to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, commodity price risk and foreign currency risk, as discussed below).

Credit risk is the risk that the counterparties to financial contracts will fail to perform on an obligation to the Company. Credit risk is partially mitigated by dealing with high quality counterparties such as major banks and limiting concentration risk.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company mitigates liquidity risk primarily by monitoring its debt rating and the maturity dates of existing debt and other payables.

Interest Rates

The Company's current exposure to market risk for changes in interest rates relates primarily to drawdowns on its Credit Facility and its investment portfolio. Drawdowns on the Credit Facility are used primarily to fund a portion of the capital expenditures related to the Company's development projects and working capital requirements. As at December 31, 2020, 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, 2020, short-term investments were $3.9 million.

Amounts drawn under the Credit Facility are subject to floating interest rates based on benchmark rates available in the United States and Canada or on LIBOR. In the past, the Company has entered into derivative instruments to hedge against unfavourable changes in interest rates. The Company will continue to monitor its interest rate exposure and may enter into such agreements to manage its exposure to fluctuating interest rates.

Commodity Prices and Foreign Currencies

Agnico Eagle's net income is sensitive to metal prices and the US dollar/Canadian dollar, US dollar/Euro and US dollar/Mexican peso exchange rates.

Changes in the market price of gold may be attributed to numerous factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. Changes in the market prices of other metals may be attributed to factors such as demand and global mine production levels. Changes in the market price of diesel may be attributed to factors such as supply and demand. Changes in exchange rates may be attributed to factors such as supply and demand for currencies and economic conditions in each country or currency area. In 2020, the ranges of metal prices, diesel prices and exchange rates were as follows:

- Silver: $11.64 — $29.86 per ounce, averaging $20.51 per ounce;
- Zinc: $1,772 — $2,852 per tonne, averaging $2,267 per tonne;
- Copper: $4,577 — $7,974 per tonne, averaging $6,183 per tonne;
- Diesel: C$0.43 — C$0.92 per litre, averaging C$0.64 per litre;
- US dollar/Canadian dollar: C$1.27 — C$1.47 per $1.00, averaging C$1.34 per $1.00;
- US dollar/Euro: €0.81 — €0.94 per $1.00, averaging €0.88 per $1.00; and
- US dollar/Mexican peso: 18.52 — 25.78 Mexican pesos per $1.00, averaging 21.50 Mexican pesos per $1.00.

In order to mitigate the impact of fluctuating by-product metal prices, the Company occasionally enters into derivative financial instrument contracts under its Board-approved Risk Management Policies and Procedures. The Company has a long-standing policy of no forward gold sales. However, the policy does allow the Company to use other hedging strategies where appropriate to mitigate foreign exchange and by-product metal pricing risks. The Company occasionally buys put options, enters into price collars and enters into forward contracts to protect minimum by-product metal prices while maintaining full exposure to the price of gold. The Risk Management Committee has approved the strategy of using short-term call options in an attempt to enhance realized by-product metal prices. The Company's policy does not allow speculative trading.

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant currency risk exposure. The Company enters into currency hedging transactions under its Board-approved Foreign Exchange Risk Management Policies and Procedures to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), as it does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes. As at December 31, 2020, there were foreign exchange derivatives outstanding related to $1,188.0 million of 2021 and 2022 expenditures. During the year ended December 31, 2020 the Company recognized a gain of $40.1 million on foreign exchange derivatives in the 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, 2020, there were derivative financial instruments outstanding relating to 24.0 million gallons of heating oil. During the year ended December 31, 2020 the Company recognized a loss of $16.0 million on heating oil derivatives in the gain on derivative financial instruments line item of the consolidated statements of income (loss).

Operational Risk

The LaRonde Complex (including LZ5), Meliadine and Canadian Malartic mines were the Company's most significant contributors in 2020 to the Company's payable production of gold at 20.1%, 18.4% and 16.4%, respectively, and are expected to account for a significant portion of the Company's payable production of gold in the future.

Mining is a complex and unpredictable business and, therefore, actual payable production of gold may differ from expectations. Adverse conditions affecting mining or milling may have a material adverse impact on the Company's financial performance and results of operations. The Company anticipates using revenue generated by its operations to finance the capital expenditures required at its mine projects.

Regulatory Risk

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

Controls Evaluation

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P").

ICFR is a framework designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has used the *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) in order to assess the effectiveness of the Company's ICFR.

DC&P form a broader framework designed to provide reasonable assurance that information required to be disclosed by the Company in its annual and interim filings and other reports filed under securities legislation is recorded, processed, summarized and reported within the time frame specified in securities legislation and includes controls and procedures designed to ensure that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

Together, the ICFR and DC&P frameworks provide internal control over financial reporting and disclosure. The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be disclosed in the Company's annual and interim filings and other reports filed under securities legislation, is accumulated and communicated in a timely fashion. Due to their inherent limitations, the Company acknowledges that, no matter how well designed, ICFR and DC&P can provide only reasonable assurance of achieving the desired control objectives and as such may not prevent or detect all misstatements. Further, the effectiveness of ICFR is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may change.

In response to the COVID-19 pandemic, the Company asked all of its corporate office staff and many site administrative staff at regional, mine site and exploration offices to work from home. These offices were subsequently re-opened under new hygiene and physical distancing protocols; however, employees whose work does not require physical presence in the office may continue to work remotely. This change requires certain processes and controls that were previously done or documented manually to be completed and retained in electronic form. The Company continues to monitor whether remote work arrangements have adversely affected the Company's ability to maintain internal controls over financial reporting and disclosure controls and procedures. Despite the changes required by the current environment, there have been no significant changes in our internal controls during the year ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

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, 2020. Based on this evaluation, management concluded that the Company's ICFR and DC&P were effective as at December 31, 2020.

Outstanding Securities

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding at March 22, 2021 were exercised:

Common shares outstanding	242,888,902
Employee stock options	4,812,417
Common shares held in a trust in connection with the Restricted Share Unit plan, Performance Share Unit plan and Long Term Incentive Plan	806,457
Total	248,507,776

Sustainable Development

In 2020, 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 for 'maintaining high standards in sustainability', to exploration and acquisition activities, day-to-day operations and site closure. The formal integration of this process began in 2012 with the adoption of an integrated Health, Safety, Environment and Social Acceptability Policy (the "Sustainable Development Policy") that reflects the Company's commitment to responsible mining practices. This policy was updated in 2019 with enhanced commitments to the protection of human rights and a greater emphasis on risk management. The Company believes that the Sustainable Development Policy will lead to the achievement of more sustainable practices through oversight and accountability.

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

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

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

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

In 2017, the Company adopted the Voluntary Principles on Security and Human Rights ("VPSHR"), a set of principles designed to guide companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights. An external audit of the Voluntary Principles was performed at La India mine in 2018 and the Pinos Altos mine in 2019. In 2021, the Company intends to complete integrated audits at all operations that will satisfy the audit requirements of RMMS, TSM, RGMP and VPSHR.

In 2018, the Company adopted an Indigenous Engagement Policy and a Diversity and Inclusion Policy and in 2019, a Diversity Advisory Council was established. An internal review was completed at each site to identify best practices as well as

any obstacles or barriers to the successful implementation of these policies. In 2020, renewed focus was placed on Diversity and Inclusion and an action plan was implemented.

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

In 2020, a combined lost-time and restricted work accident frequency rate (excluding the Canadian Malartic mine) of 1.02 was achieved, a slight increase from the 2019 rate of 0.98, but below the target rate of 1.05. Extensive health and safety training continued to be provided to employees during 2020. The Canadian Malartic mine's combined accident frequency rate in 2020 was 0.71, a decrease from the 2019 rate of 1.20 and below the target rate of 1.00.

Operations in 2020 were marked by the COVID-19 pandemic. From the outbreak of the pandemic, the Company implemented extraordinary measures with a constant focus on protecting the health and safety of its employees, protecting and supporting the communities in which it operates and protecting its operations. Throughout the year, the Company continually enhanced its safety protocols, maximized teleworking where possible and increased its testing capacity. By year end, five testing facilities were in place to support the Canadian operations and one testing facility, funded by the Company, was available to the Kittila operation as well as to the residents of Kittila municipality. In Mexico, the local teams provided resources to local health centres and hired additional doctors to help in the communities. Work continued at the end of 2020 to continue to fight the spread of COVID-19 in all our operating regions.

One of the measures implemented by the Company systematically across all operations and exploration properties to improve safety performance is the workplace safety card system. Developed by the Quebec Mining Association (the "AMQ"), the safety work card system guides workers and supervisors in using risk-based thinking in their duties. Workers and supervisors 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, the nature of risks or issues and other relevant information. In addition, it improves efficiency and safety by facilitating the exchange and analysis of relevant information between shifts as well as with the various technical support services.

In 2020, the AMQ acknowledged the Company's strong performance in the area of health and safety, recognizing 50 of the Company's supervisors from the LaRonde, Goldex and Canadian Malartic mines for keeping their workers safe. The supervisors received AMQ security awards for between 50,000 and 450,000 hours supervised without a lost-time accident. Additionally, Goldex and Canadian Malartic were honoured with F.J. O'Connell awards for excellence in health and safety performance during the previous year.

In 2020, the National Mining Association of Mexico awarded the La India mine the Jorge Rangel Zamorano – Silver Helmet award as the safest mine in Mexico in the open pit category (500 employees) for the third year in a row.

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

Community

The Company's goal, at each of its operations worldwide, is to hire as much of its workforce as possible, including management teams, directly from the region in which the operation is located. In 2020, the overall Company average for local hiring was 59%. The Company believes that providing employment is one of the most significant contributions it can make to the communities in which it operates.

The Company continued its efforts in community development agreements in Nunavut. In 2015, the Meadowbank IIBA was renewed and the Meliadine IIBA was signed. In 2018, the Amaruq IIBA was signed. In 2020, the Company continued its dialogue with First Nations around the Kirkland Lake project.

The Company has adopted a reconciliation action plan consistent with the call for action No. 92 of the *Truth and Reconciliation Commission of Canada: Calls to Action*, the first step of which was to give training on First Nations Matters to the Company's senior management, and which was completed in 2018. In 2020, the Company continued to make progress with this call to action by engaging in discussions with the First Nations communities in the regions of our mines and projects in Nunavut, Quebec and Ontario.

The Canadian Malartic mine continued its contribution to the Malartic 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. As with the Good Neighbour Guide and other community relations efforts at Canadian Malartic, the Partnership is working collaboratively with stakeholders to establish cooperative relationships that support the long-term potential of the mine. In 2020, a collaboration agreement was signed with the Abitibiwinni, Lac Simon, Long Point, and Kitcisakik Anishinabeg First Nations aimed at the sustainable development of these four First Nations and their increased participation in the mines activities and projects.

A Good Neighbour Guide was implemented at the LaRonde and Goldex mines in 2020.

The Company continues to support a number of community health and educational initiatives in the region surrounding the Pinos Altos and La India mines.

The COVID-19 pandemic impacted the communities surrounding our operations. In March, the Company decided to send our Nunavummiut employees home in order to comply with health guidelines issued by the Government of Nunavut and protect the communities by isolating the mines. In mid-year, the Good Deeds Brigade was established where our Nunavummiut employees could earn 100% of their base salary by volunteering at community based initiatives. At year-end the Company continued to pay 75% of the base salaries to these employees who remain at home and 100% to those volunteering in the Good Deeds Brigade.

In 2020, COVID-19 impacted northern Mexico more than any other region which the Company operates. The Company engaged additional doctors at our Pinos Altos and La India mines. In addition to these doctors, the Company provided health supplies to local health clinics, donated food and supplies to households in need and continued with community engagement work.

In Quebec and Finland, the Company made numerous donations in an effort to support distressed local businesses and individuals impacted by the pandemic. The Company supports a COVID-19 testing facility near its Kittila mine.

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

Environmental

The Company's exploration activities and mining and processing operations are subject to the federal, state, provincial, territorial, regional and local environmental laws and regulations in the jurisdictions in which the Company's activities and facilities are located. These include requirements for planning and implementing the closure and reclamation of mining properties and related financial assurance. Each mine is subject to environmental assessment and permitting processes during development and, in operation, has an environmental management system consistent with ISO 14001 as well as an internal audit program. The Company works closely with regulatory authorities in each jurisdiction where it operates to ensure ongoing compliance.

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

In 2020, the Company received two warning letters from Environment and Climate Change Canada in relation to total suspended solids non-compliances at Meliadine and Meadowbank and the Partnership received two non-compliance notices for nitrogen oxide emissions. The mine's team of on-site environmental experts continue to monitor regulatory compliance in terms of approvals, permits and observance of directives and requirements and continue to implement improvement measures.

The Company's total liability for reclamation and closure cost obligations at December 31, 2020 was estimated to be $667.1 million (including the Company's share of the Canadian Malartic reclamation costs). For more information please see note 11 to the Annual 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 consolidated annual financial statements.

The preparation of the annual consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting estimates have a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions. In making judgments about the carrying value of assets and liabilities, the Company uses estimates based on historical experience and assumptions that are considered reasonable in the circumstances. Although the Company evaluates its accounting estimates on an ongoing basis using the most current information available, actual results may differ from these estimates. The critical judgments and key sources of estimation uncertainties in the application of accounting policies during the year ended December 31, 2020 are disclosed in Note 4 to the annual consolidated financial statements.

Management has discussed the development and selection of critical accounting policies and estimates with the Audit Committee which has reviewed the Company's disclosure in this MD&A.

Mineral Reserve Data

The scientific and technical information contained in this MD&A relating to Quebec operations has been approved by Daniel Paré, P.Eng., Vice-President Operations – Eastern Canada; relating to Nunavut operations has been approved by Dominique Girard, Eng., Senior Vice-President, Operations – Canada and Europe; relating to Finland operations has been approved by Francis Brunet, Eng., Corporate Director, Business Strategy; relating to Southern Business operations has been approved by Marc Legault, Eng., Senior Vice-President, Operations – U.S.A. & Latin America; and relating to exploration has been approved by Guy Gosselin, Eng. and P.Geo., Senior Vice-President, Exploration, each of whom is a "Qualified Person" for the purposes of NI 43-101.

The scientific and technical information relating to Agnico Eagle's mineral reserves and mineral resources contained herein (other than the Canadian Malartic mine) has been approved by Dyane Duquette, P.Geo., Corporate Director, Reserves Development of the Company; relating to mineral reserves and mineral resources at the Canadian Malartic mine and other Partnership projects such as the Odyssey project, has been approved by Sylvie Lampron, Eng., Senior Project Mine Engineer at Canadian Malartic Corporation (for engineering) and Pascal Lehouiller, P.Geo., Senior Resource Geologist at Canadian Malartic Corporation (for geology), each of whom is a "Qualified Person" for the purposes of NI 43-101.

The assumptions used for the mineral reserve estimates at all mines and projects reported in this MD&A (except the Hammond Reef project and Upper Beaver project) as at December 31, 2020 are $1,250 per ounce gold, $17.00 per ounce silver, $1.00 per pound zinc and $2.75 per pound copper. Mineral reserve estimates at the Hammond Reef project and Upper Beaver project are $1,350 per ounce gold and $1,200 per ounce gold, respectively. Foreign exchange rates assumptions of C$1.30 per US$1.00, €0.87 per US$1.00 and 18.00 Mexican pesos per US$1.00 were used for all mines and projects, except the Upper Beaver project, where an assumption of C$1.25 per US$1.00 was used.

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	4,338	5.11	712
LaRonde Zone 5 mine	5,155	2.09	346
Canadian Malartic mine (attributable 50.0%)	25,370	0.85	696
Goldex mine	942	2.45	74
Meadowbank mine	34	2.34	3
Amaruq satellite deposit (part of Meadowbank Complex)	950	2.06	63
Meliadine mine	1,468	6.89	325
Kittila mine	2,999	4.23	408
Pinos Altos mine	2,753	2.18	193
La India mine	89	0.35	1
Total Proven Mineral Reserves	44,098	1.99	2,821
Probable Mineral Reserves			
LaRonde mine	10,828	6.53	2,272
LaRonde Zone 5 mine	6,601	2.08	442
Canadian Malartic mine (attributable 50.0%)	36,068	1.31	1,518
Goldex mine	21,179	1.53	1,040
Akasaba West project	5,413	0.85	147
Meadowbank mine	–	–	–
Amaruq satellite deposit (part of Meadowbank Complex)	22,236	3.95	2,825
Meliadine mine	19,801	5.81	3,700
Upper Beaver project	7,992	5.43	1,395
Hammond Reef project	123,473	0.84	3,323
Kittila mine	27,434	4.15	3,659
Pinos Altos mine	10,710	1.99	685
La India mine	11,939	0.66	255
Total Probable Mineral Reserves	303,675	2.18	21,261
Total Proven and Probable Mineral Reserves	347,773	2.15	24,082

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; 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; and the Technical Report on the Mineral Resource and Mineral Reserve Estimates for the Canadian Malartic property with an effective date of December 31, 2020 filed with the Canadian securities regulatory authorities on SEDAR on March 25, 2021.

(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, all-in sustaining costs per ounce of gold produced (on both a by-product and co-product basis) and operating margin, 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.

	2020	2019	2018
	(thousands of United States dollars)		
Net income (loss) for the year	$ 511,607	$ 473,166	$ (326,701)
Foreign currency translation loss	22,480	4,850	1,991
Realized and unrealized (gain) loss on derivative financial instruments	(107,873)	(17,124)	6,065
Impairment reversal	–	(345,821)	–
Impairment loss[(i)]	–	–	389,693
Environmental remediation	27,540	2,804	14,420
Other[(ii)]	19,754	(7,251)	(6,802)
Income and mining taxes adjustments[(iii)]	(21,940)	118,820	(6,791)
Adjusted net income for the year[(iv)]	$ 451,568	$ 229,444	$ 71,875
Net income (loss) per share – basic	$ 2.12	$ 2.00	$ (1.40)
Net income (loss) per share – diluted	$ 2.10	$ 1.99	$ (1.40)
Adjusted net income per share – basic	$ 1.87	$ 0.97	$ 0.31
Adjusted net income per share – diluted	$ 1.86	$ 0.96	$ 0.31

Notes:

(i) The Company did not record a tax impact on the impairment loss as a result of the initial recognition exemption which does not require deferred tax to be recorded on goodwill or asset acquisitions.

(ii) 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 gains and losses on the disposal of assets.

(iii) Income and mining taxes adjustments reflect items such as foreign currency translation recorded to the income and mining taxes expense, income and mining taxes impact on normalized items, recognition of previously unrecognized capital losses, the result of income and mining taxes audits, impact of tax law changes and reflective adjustments to prior period operating results.

(iv) The Company did not adjust for the following items in its calculation of adjusted net income:

- Stock-based compensation expense for the year ended December 31, 2020 of $15.9 million (2019 – $16.1 million; 2018 – $19.3 million), net of the portion capitalized as part of the property, plant and mine development.
- Temporary suspension and other costs incurred in connection with the company's response to the COVID-19 pandemic for the year ended December 31, 2020 of $30.7 million. These costs represent recurring expenses incurred during the period of limited or no production activity due to the COVID-19 pandemic and include primarily payroll and other incidental costs associated with maintaining the mine sites and exploration properties and payroll costs associated with employees who were not working or who were working remotely during the period of suspended operations.
- Direct and incremental costs incurred in connection with the company's response to the COVID-19 pandemic for the year ended December 31, 2020 of $7.2 million which are primarily related to cleaning and disinfection services, screening and on-site testing for COVID-19 and community support.
- Interest on the Credit Facility for the year ended December 31, 2020 of $3.4 million, which was drawn down as a cautionary measure in the uncertain economic environment resulting from the COVID-19 pandemic.

Total Cash Costs per Ounce of Gold Produced and Minesite Costs per Tonne

The Company believes that total cash costs per ounce of gold produced and minesite costs per tonne are realistic indicators of operating performance and facilitate period over period comparisons. However, both of these non-GAAP generally accepted industry measures should be considered together with other data prepared in accordance with IFRS. These measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs per ounce of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with IFRS. Management also performs sensitivity analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

Agnico Eagle's primary business is gold production and the focus of its current operations and future development is on maximizing returns from gold production, with other metal production being incidental to the gold production process. Accordingly, all metals other than gold are considered by-products.

Total cash costs per ounce of gold produced is reported on a by-product basis because (i) the majority of the Company's revenues are gold revenues, (ii) the Company mines ore, which contains gold, silver, zinc, copper and other metals, (iii) it is not possible to specifically assign all costs to revenues from the gold, silver, zinc, copper and other metals the Company produces and (iv) it is a method used by management and the Board to monitor operations.

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

The following tables set out a reconciliation of total cash costs per ounce of gold produced (on both a by-product basis and co-product basis) and minesite costs per tonne to production costs, exclusive of amortization, as presented in the consolidated statements of income (loss) in accordance with IFRS.

Total Production Costs by Mine

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
(thousands of United States dollars)			
LaRonde mine	$ 169,824	$ 215,012	$ 228,294
LaRonde Zone 5 mine	47,899	41,212	12,991
LaRonde Complex	217,723	256,224	241,285
Lapa mine	–	2,844	27,870
Goldex mine	82,654	82,533	78,533
Meadowbank Complex	284,976	180,848	211,147
Meliadine mine	245,700	142,932	–
Canadian Malartic mine[(i)]	195,312	208,178	199,761
Kittila mine	169,884	142,517	157,032
Pinos Altos mine	124,678	130,190	138,362
Creston Mascota mine	35,088	35,801	37,270
La India mine	68,137	65,638	69,095
Production costs per the consolidated statements of income (loss)	$ 1,424,152	$ 1,247,705	$ 1,160,355

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, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)	288,239		343,154		343,686	
Production costs	$ 169,824	$ 589	$ 215,012	$ 627	$ 228,294	$ 664
Inventory and other adjustments[(iv)]	15,590	54	11,595	33	(10,475)	(30)
Cash operating costs (co-product basis)	$ 185,414	$ 643	$ 226,607	$ 660	$ 217,819	$ 634
By-product metal revenues	(51,217)	(177)	(67,224)	(196)	(64,973)	(189)
Cash operating costs (by-product basis)	$ 134,197	$ 466	$ 159,383	$ 464	$ 152,846	$ 445

LaRonde Mine Per Tonne[(iii)]	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)	1,706		2,057		2,108	

Production costs	$	169,824	$	100	$	215,012	$	105	$	228,294	$	108
Production costs (C$)	C$	226,605	C$	133	C$	285,423	C$	139	C$	293,094	C$	139
Inventory and other adjustments (C$)[v]		(9,693)		(6)		(27,629)		(14)		(41,568)		(20)
Minesite operating costs (C$)	C$	216,912	C$	127	C$	257,794	C$	125	C$	251,526	C$	119

LaRonde Zone 5 Mine Per Ounce of Gold Produced[ii]	Year Ended December 31, 2020		Year Ended December 31, 2019		Year Ended December 31, 2018	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		61,674		59,830		18,620
Production costs	$ 47,899	$ 777	$ 41,212	$ 689	$ 12,991	$ 698
Inventory and other adjustments[iv]	(1,096)	(18)	2,169	36	656	35
Cash operating costs (co-product basis)	$ 46,803	$ 759	$ 43,381	$ 725	$ 13,647	$ 733
By-product metal revenues	(261)	(4)	(185)	(3)	(21)	(1)
Cash operating costs (by-product basis)	$ 46,542	$ 755	$ 43,196	$ 722	$ 13,626	$ 732

LaRonde Zone 5 Mine Per Tonne[iii]	Year Ended December 31, 2020		Year Ended December 31, 2019		Year Ended December 31, 2018	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		968		870		225
Production costs	$ 47,899	$ 49	$ 41,212	$ 47	$ 12,991	$ 58
Production costs (C$)	C$ 63,944	C$ 66	C$ 54,644	C$ 63	C$ 17,028	C$ 76
Inventory and other adjustments (C$)[v]	(854)	(1)	2,855	3	945	4
Minesite operating costs (C$)	C$ 63,090	C$ 65	C$ 57,499	C$ 66	C$ 17,973	C$ 80

LaRonde Complex Per Ounce of Gold Produced[ii]	Year Ended December 31, 2020		Year Ended December 31, 2019		Year Ended December 31, 2018	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		349,913		402,984		362,306
Production costs	$ 217,723	$ 622	$ 256,224	$ 636	$ 241,285	$ 666
Inventory and other adjustments[iv]	14,494	42	13,764	34	(9,819)	(27)
Cash operating costs (co-product basis)	$ 232,217	$ 664	$ 269,988	$ 670	$ 231,466	$ 639
By-product metal revenues	(51,478)	(147)	(67,409)	(167)	(64,994)	(180)
Cash operating costs (by-product basis)	$ 180,739	$ 517	$ 202,579	$ 503	$ 166,472	$ 459

LaRonde Complex Per Tonne[iii]	Year Ended December 31, 2020		Year Ended December 31, 2019		Year Ended December 31, 2018	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*

Tonnes of ore milled (thousands of tonnes)			2,674		2,927		2,333
Production costs	$	217,723	$ 81	$ 256,224	$ 88	$ 241,285	$ 103
Production costs (C$)	C$	290,549	C$ 109	C$ 340,067	C$ 116	C$ 310,122	C$ 133
Inventory and other adjustments (C$)[(v)]		(10,547)	(4)	(24,774)	(8)	(40,623)	(17)
Minesite operating costs (C$)	C$	280,002	C$ 105	C$ 315,293	C$ 108	C$ 269,499	C$ 116

Lapa Mine **Per Ounce of Gold Produced[ii][vi]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		–		–		34,026
Production costs	$ –	$ –	$ 2,844	$ –	$ 27,870	$ 819
Inventory and other adjustments[iv]	–	–	(2,844)	–	1,843	54
Cash operating costs (co-product basis)	$ –	$ –	$ –	$ –	$ 29,713	$ 873
By-product metal revenues	–	–	–	–	(26)	(1)
Cash operating costs (by-product basis)	$ –	$ –	$ –	$ –	$ 29,687	$ 872

Lapa Mine **Per Tonne[iii]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		–		–		311
Production costs	$ –	$ –	$ 2,844	$ –	$ 27,870	$ 90
Production costs (C$)	C$ –	C$ –	C$ 3,723	C$ –	C$ 35,854	C$ 115
Inventory and other adjustments (C$)[v]	–	–	(3,723)	–	2,369	8
Minesite operating costs (C$)	C$ –	C$ –	C$ –	C$ –	C$ 38,223	C$ 123

Goldex Mine **Per Ounce of Gold Produced[ii]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		127,540		140,884		121,167
Production costs	$ 82,654	$ 648	$ 82,533	$ 586	$ 78,533	$ 648
Inventory and other adjustments[iv]	(1,756)	(14)	(289)	(2)	(219)	(2)
Cash operating costs (co-product basis)	$ 80,898	$ 634	$ 82,244	$ 584	$ 78,314	$ 646
By-product metal revenues	(37)	–	(33)	–	(25)	–
Cash operating costs (by-product basis)	$ 80,861	$ 634	$ 82,211	$ 584	$ 78,289	$ 646

Goldex Mine **Per Tonne[iii]**	**Year Ended December 31, 2020**	**Year Ended December 31, 2019**	**Year Ended December 31, 2018**

		(thousands)	*($ per tonne)*		*(thousands)*	*($ per tonne)*		*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)			2,655			2,785			2,625
Production costs	$	82,654	31	$	82,533	30	$	78,533	30
Production costs (C$)	C$	109,727	41	C$	109,373	39	C$	101,787	39
Inventory and other adjustments (C$)[(v)]		(287)	–		(245)	–		44	–
Minesite operating costs (C$)	C$	109,440	41	C$	109,128	39	C$	101,831	39

Meadowbank Complex **Per Ounce of Gold Produced[ii]** **[vii]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		198,418		158,208		248,997
Production costs	$ 284,976	$ 1,436	$ 180,848	$ 1,143	$ 211,147	$ 848
Inventory and other adjustments[iv]	(5,028)	(25)	2,859	18	(5,769)	(23)
Cash operating costs (co-product basis)	$ 279,948	$ 1,411	$ 183,707	$ 1,161	$ 205,378	$ 825
By-product metal revenues	(1,342)	(7)	(1,391)	(9)	(2,685)	(11)
Cash operating costs (by-product basis)	$ 278,606	$ 1,404	$ 182,316	$ 1,152	$ 202,693	$ 814

Meadowbank Complex **Per Tonne[iii][viii]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)		2,482		2,381		3,262
Production costs	$ 284,976	$ 115	$ 180,848	$ 76	$ 211,147	$ 65
Production costs (C$)	C$ 382,592	C$ 154	C$ 240,014	C$ 101	C$ 272,140	C$ 83
Inventory and other adjustments (C$)[v]	(14,407)	(6)	6,292	2	(4,477)	(1)
Minesite operating costs (C$)	C$ 368,185	C$ 148	C$ 246,306	C$ 103	C$ 267,663	C$ 82

Meliadine Mine **Per Ounce of Gold Produced[ii][ix]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		312,398		191,113		–
Production costs	$ 245,700	$ 786	$ 142,932	$ 748	$ –	$ –
Inventory and other adjustments[iv]	(3,353)	(10)	389	2	–	–
Cash operating costs (co-product basis)	$ 242,347	$ 776	$ 143,321	$ 750	$ –	$ –
By-product metal revenues	(527)	(2)	(286)	(2)	–	–
Cash operating costs (by-product basis)	$ 241,820	$ 774	$ 143,035	$ 748	$ –	$ –

Meliadine Mine **Per Tonne[iii][x]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*

Tonnes of ore milled (thousands of tonnes)				1,346			773			–		
Production costs	$	245,700	$	183	$	142,932	$	185	$	–	$	–
Production costs (C$)	C$	329,036	C$	244	C$	188,680	C$	244	C$	–	C$	–
Inventory and other adjustments (C$)[(v)]		(5,458)		(4)		1,409		2		–		–
Minesite operating costs (C$)	C$	323,578	C$	240	C$	190,089	C$	246	C$	–	C$	–

Canadian Malartic Mine[i] Per Ounce of Gold Produced[ii][xi]		**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
		(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)			265,387		331,459		348,600
Production costs	$	195,312	$ 736	$ 208,178	$ 628	$ 199,761	$ 573
Inventory and other adjustments[iv]		3,855	14	(723)	(2)	1,947	6
Cash operating costs (co-product basis)	$	199,167	$ 750	$ 207,455	$ 626	$ 201,708	$ 579
By-product metal revenues		(7,198)	(27)	(6,711)	(20)	(6,806)	(20)
Cash operating costs (by-product basis)	$	191,969	$ 723	$ 200,744	$ 606	$ 194,902	$ 559

Canadian Malartic Mine[i] Per Tonne[iii][xii]		**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
		(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore milled (thousands of tonnes)			9,669		10,391		10,242
Production costs	$	195,312	$ 20	$ 208,178	$ 20	$ 199,761	$ 20
Production costs (C$)	C$	260,019	C$ 27	C$ 274,786	C$ 26	C$ 258,291	C$ 25
Inventory and other adjustments (C$)[v]		(34)	–	(2,201)	–	2,972	–
Minesite operating costs (C$)	C$	259,985	C$ 27	C$ 272,585	C$ 26	C$ 261,263	C$ 25

Kittila Mine Per Ounce of Gold Produced[ii]		**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
		(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)			208,125		186,101		188,979
Production costs	$	169,884	$ 816	$ 142,517	$ 766	$ 157,032	$ 831
Inventory and other adjustments[iv]		(2,121)	(10)	(5,314)	(29)	4,374	23
Cash operating costs (co-product basis)	$	167,763	$ 806	$ 137,203	$ 737	$ 161,406	$ 854
By-product metal revenues		(238)	(1)	(238)	(1)	(186)	(1)
Cash operating costs (by-product basis)	$	167,525	$ 805	$ 136,965	$ 736	$ 161,220	$ 853

Kittila Mine Per Tonne[iii]	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*

Tonnes of ore milled (thousands of tonnes)			1,702		1,591		1,827
Production costs	$	169,884	$ 100	$ 142,517	$ 90	$ 157,032	$ 86
Production costs (€)	€	147,993	€ 87	€ 127,355	€ 80	€ 133,817	€ 73
Inventory and other adjustments (€) [v]		(1,667)	(1)	(5,882)	(4)	2,545	2
Minesite operating costs (€)	€	146,326	€ 86	€ 121,473	€ 76	€ 136,362	€ 75

Pinos Altos Mine **Per Ounce of Gold Produced[ii]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		114,798		155,124		181,057
Production costs	$ 124,678	$ 1,086	$ 130,190	$ 839	$ 138,362	$ 764
Inventory and other adjustments[iv]	(4,089)	(36)	4,229	28	(2,767)	(15)
Cash operating costs (co-product basis)	$ 120,589	$ 1,050	$ 134,419	$ 867	$ 135,595	$ 749
By-product metal revenues	(34,646)	(301)	(35,322)	(228)	(36,301)	(201)
Cash operating costs (by-product basis)	$ 85,943	$ 749	$ 99,097	$ 639	$ 99,294	$ 548

Pinos Altos Mine **Per Tonne[iii]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		1,796		2,007		2,218
Production costs	$ 124,678	$ 69	$ 130,190	$ 65	$ 138,362	$ 62
Inventory and other adjustments[v]	(6,737)	(3)	3,074	1	(3,061)	(1)
Minesite operating costs	$ 117,941	$ 66	$ 133,264	$ 66	$ 135,301	$ 61

Creston Mascota Mine **Per Ounce of Gold Produced[ii]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		38,599		48,380		40,180
Production costs	$ 35,088	$ 909	$ 35,801	$ 740	$ 37,270	$ 928
Inventory and other adjustments[iv]	(1,622)	(42)	678	14	1,326	33
Cash operating costs (co-product basis)	$ 33,466	$ 867	$ 36,479	$ 754	$ 38,596	$ 961
By-product metal revenues	(10,116)	(262)	(9,671)	(200)	(4,818)	(120)
Cash operating costs (by-product basis)	$ 23,350	$ 605	$ 26,808	$ 554	$ 33,778	$ 841

Creston Mascota Mine **Per Tonne[iii][xiii]**	**Year Ended December 31, 2020**		**Year Ended December 31, 2019**		**Year Ended December 31, 2018**	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		526		1,067		1,422
Production costs	$ 35,088	$ 67	$ 35,801	$ 34	$ 37,270	$ 26

Inventory and other adjustments [v]		(6,836)		(13)		(122)		(1)		853		1
Minesite operating costs	$	28,252	$	54	$	35,679	$	33	$	38,123	$	27

La India Mine Per Ounce of Gold Produced[ii]	Year Ended December 31, 2020		Year Ended December 31, 2019		Year Ended December 31, 2018	
	(thousands)	*($ per ounce)*	*(thousands)*	*($ per ounce)*	*(thousands)*	*($ per ounce)*
Gold production (ounces)		84,974		82,190		101,357
Production costs	$ 68,137	$ 802	$ 65,638	$ 799	$ 69,095	$ 682
Inventory and other adjustments[iv]	141	1	4,166	50	3,084	30
Cash operating costs (co-product basis)	$ 68,278	$ 803	$ 69,804	$ 849	$ 72,179	$ 712
By-product metal revenues	(1,317)	(15)	(2,184)	(26)	(2,777)	(27)
Cash operating costs (by-product basis)	$ 66,961	$ 788	$ 67,620	$ 823	$ 69,402	$ 685

La India Mine Per Tonne[iii]	Year Ended December 31, 2020		Year Ended December 31, 2019		Year Ended December 31, 2018	
	(thousands)	*($ per tonne)*	*(thousands)*	*($ per tonne)*	*(thousands)*	*($ per tonne)*
Tonnes of ore processed (thousands of tonnes)		5,526		5,402		6,128
Production costs	$ 68,137	$ 12	$ 65,638	$ 12	$ 69,095	$ 11
Inventory and other adjustments[v]	(895)	–	2,591	1	2,109	1
Minesite operating costs	$ 67,242	$ 12	$ 68,229	$ 13	$ 71,204	$ 12

Notes:

(i) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.

(ii) The total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. Management also performs sensitivity analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

(iii) Minesite costs per tonne is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. Minesite costs per tonne are calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for inventory production costs and other adjustments, and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced can be affected by fluctuations in by-product metal prices and foreign exchange rates, management believes that minesite costs per tonne provide additional information regarding the performance of mining operations, eliminating the impact of varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in processing levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with IFRS.

(iv) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon the transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.

(v) This inventory and other adjustment reflects production costs associated with the portion of production still in inventory and smelting, refining and marketing charges associated with production.

(vi) The Lapa mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 5 ounces of payable production of gold, which were credited to the Company as a result of final refining reconciliation following the cessation of mining and processing operations at the Lapa mine on December 31, 2018.

(vii) The Meadowbank Complex's cost calculations per ounce of gold produced for the year ended December 31, 2020 exclude 10,995 ounces of payable production of gold which were produced prior to the achievement of commercial production at the IVR deposit on December 31, 2020. The Meadowbank Complex's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 35,281 ounces of payable production of gold which were produced prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.

(viii) The Meadowbank Complex's cost calculations per tonne for the year ended December 31, 2020 exclude 121,317 tonnes which were processed prior to the achievement of commercial production at the IVR deposit on December 31, 2020. The Meadowbank Complex's cost calculations per tonne for the year ended December 31, 2019 exclude 369,519 tonnes which were processed prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.

(ix) The Meliadine mine's cost calculations per ounce of gold produced for the year ended December 31, 2020 exclude 6,491 ounces of payable production of gold which were produced during this period as commercial production at the Tiriganiaq open pit deposit has not yet been achieved. The Meliadine mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 47,281 ounces of payable production of gold which were produced prior to the achievement of commercial production on May 14, 2019.

(x) The Meliadine mine's cost calculations per tonne for the year ended December 31, 2020 exclude 49,504 tonnes which were processed during this period as commercial production at the Tiriganiaq open pit deposit has not yet been achieved. The Meliadine mine's cost calculations per tonne for the year ended December 31, 2019 exclude 263,749 tonnes which were processed prior to the achievement of commercial production on May 14, 2019.

(xi) The Canadian Malartic mine's cost calculations per ounce of gold produced for the year ended December 31, 2020 exclude 18,930 ounces of payable production of gold, which were produced prior to the achievement of commercial production at the Barnat deposit on September 30, 2020. The Canadian Malartic mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 3,137 ounces of payable production of gold which were produced prior to the achievement of commercial production at the Barnat deposit on September 30, 2020.

(xii) The Canadian Malartic mine's cost calculations per tonne for the year ended December 31, 2020 exclude 731,309 tonnes, which were processed prior to the achievement of commercial production at the Barnat deposit on September 30, 2020. The Canadian Malartic mine's cost calculations per tonne for the year ended December 31, 2019 exclude 133,615 tonnes which were processed prior to the achievement of commercial production at the Barnat deposit on September 30, 2020.

(xiii) The Creston Mascota mine's cost calculation per tonne for the year ended December 31, 2020 exclude approximately $6.1 million of production costs incurred during the three months ended December 31, 2020 following the cessation of mining activities at the Bravo pit during the third quarter of 2020.

All-in Sustaining Costs per Ounce of Gold Produced

The WGC is a non-regulatory market development organization for the gold industry. Although the WGC is not a mining industry regulatory organization, it has worked closely with its member companies to develop relevant non-GAAP measures. The Company follows the guidance on all-in sustaining costs released by the WGC in November 2018. Adoption of the all-in sustaining costs metric is voluntary and, notwithstanding the Company's adoption of the WGC's guidance, all-in sustaining costs per ounce of gold produced reported by the Company may not be comparable to data reported by other gold 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 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 option expense), lease payments related to sustaining assets and reclamation expenses, and then dividing by the number of ounces of gold produced. The all-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as the all-in sustaining costs per ounce of gold produced on a by-product basis, except that the total cash costs per ounce on a co-product basis is used, meaning no adjustment is made for by-product metal revenues. The Company's methodology for calculating all-in sustaining costs per ounce may differ from the methodology used by other gold 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.

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, 2020, December 31, 2019 and December 31, 2018 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, 2020**	**Year Ended December 31, 2019**	**Year Ended December 31, 2018**
Production costs per the consolidated statements of income (loss) (thousands of United States dollars)	$1,424,152	$1,247,705	$1,160,355
Adjusted gold production (ounces) [(i)(ii)(iii)(iv)]	1,700,152	1,696,443	1,626,669
Production costs per ounce of adjusted gold production	$838	$735	$713
Adjustments:			
Inventory and other adjustments [(v)]	–	10	(3)
Total cash costs per ounce of gold produced (co-product basis) [(vi)]	$838	$745	$710
By-product metal revenues	(63)	(72)	(73)
Total cash costs per ounce of gold produced (by-product basis) [(vi)]	$775	$673	$637
Adjustments:			
Sustaining capital expenditures (including capitalized exploration)	199	185	159
General and administrative expenses (including stock option expense)	68	71	77
Non-cash reclamation provision, sustaining leases and other	9	9	4
All-in sustaining costs per ounce of gold produced (by-product basis)	$1,051	$938	$877
By-product metal revenues	63	72	73
All-in sustaining costs per ounce of gold produced (co-product basis)	$1,114	$1,010	$950

Notes:

(i) Adjusted gold production for the year ended December 31, 2019 excludes 5 ounces of payable production of gold at the Lapa mine which were credited to the Company as a result of final refining reconciliations following the cessation of mining and processing operations at the site on December 31, 2018.

(ii) Adjusted gold production for the year ended December 31, 2020 excludes 10,995 ounces of payable production of gold at the Meadowbank Complex, which were produced prior to the achievement of commercial production at the IVR deposit on December 31, 2020. Adjusted gold production for the year ended December 31, 2019 excludes 35,281 ounces of payable production of gold at the Meadowbank Complex, which were produced prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.

(iii) Adjusted gold production for the year ended December 31, 2020 excludes 6,491 ounces of payable production of gold at the Meliadine mine, which were produced during this period as commercial production at the Tiriganiaq open pit deposit has not yet been achieved. Adjusted gold production for the year ended December 31, 2019 excludes 47,281 ounces of payable production of gold at the Meliadine mine, which were produced prior to the achievement of commercial production on May 14, 2019.

(iv) Adjusted gold production for the year ended December 31, 2020 excludes 18,930 ounces of payable production of gold at the Canadian Malartic mine, which were produced prior to the achievement of commercial production at the Barnat deposit on September 30, 2020. Adjusted gold production for the year ended December 31, 2019 excludes 3,137 ounces of payable production of gold at the Canadian Malartic mine, which were produced prior to the achievement of commercial production at the Barnat deposit on September 30, 2020.

(v) 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 the 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 primarily the addition of smelting, refining and marketing charges to production costs.

(vi) The total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. See "Non-GAAP Financial Performance Measures – Total Cash Costs per Ounce of Gold Produced and Minesite Costs per Tonne" for more information on the Company's use of total cash cost per ounce of gold produced.

Operating Margin

Operating margin 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 excluding the following from net income (loss) as recorded in the consolidated financial statements:

- Income and mining taxes expense

- Other expenses (income)
- Foreign currency translation loss (gain)

- Impairment (reversal) loss
- Environmental remediation
- Loss (gain) on derivative financial instruments
- Finance costs
- General and administrative expenses
- Amortization of property, plant and mine development
- Exploration and corporate development expenses

The Company believes that operating margin is a useful measure that reflects the operating performance of its mines associated with the ongoing production and sale of gold and by-product metals. Management uses this measure internally to plan and forecast future operating results. This measure is intended to provide investors with additional information about the Company's underlying operating results and should be evaluated in conjunction with net income (loss) and other data prepared in accordance with IFRS.

The following tables set out the quarterly reconciliation of net income (loss) to operating margin for the years ended December 31, 2020 and December 31, 2019.

Quarterly Reconciliation of Net Income (Loss) to Operating Margin

	Three Months Ended				
(thousands of United States dollars)	**March 31, 2020**	**June 30, 2020**	**September 30, 2020**	**December 31, 2020**	**Total 2020**
Net (loss) income for the period	$ (21,565)	$ 105,301	$ 222,654	$ 205,217	$ 511,607
Income and mining taxes expense	44,896	12,250	110,035	88,777	255,958
Other expenses	3,805	23,813	9,087	11,529	48,234
Foreign currency translation loss	3,846	3,322	4,321	10,991	22,480
Environmental remediation	735	(78)	45	26,838	27,540
Loss (gain) on derivative financial instruments	42,602	(62,175)	(29,724)	(58,576)	(107,873)
Finance costs	27,762	25,000	21,439	20,933	95,134
General and administrative	30,543	25,546	26,291	33,908	116,288
Amortization of property, plant, and mine development	153,509	129,465	173,173	174,954	631,101
Exploration and corporate development	29,643	14,337	30,488	39,024	113,492
Operating margin	$ 315,776	$ 276,781	$ 567,809	$ 553,595	$ 1,713,961

(thousands of United States dollars)	Three Months Ended March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	Total 2019
Net income for the period	$ 37,032	$ 27,772	$ 76,667	$ 331,695	$ 473,166
Income and mining taxes expense	15,489	15,048	62,789	172,250	265,576
Other expenses (income)	1,775	(4,922)	1,509	(11,531)	(13,169)
Foreign currency translation loss (gain)	2,206	4,131	(1,347)	(140)	4,850
Impairment reversal	–	–	–	(345,821)	(345,821)
Environmental remediation	93	(48)	40	2,719	2,804
(Gain) loss on derivative financial instruments	(9,816)	(2,858)	2,378	(6,828)	(17,124)
Finance costs	25,766	27,310	25,721	26,285	105,082
General and administrative	29,093	29,126	27,336	35,432	120,987
Amortization of property, plant, and mine development	128,242	124,203	143,293	150,319	546,057
Exploration and corporate development	25,450	27,352	28,227	23,750	104,779
Operating margin	$ 255,330	$ 247,114	$ 366,613	$ 378,130	$ 1,247,187

AGNICO EAGLE MINES LIMITED
SUMMARIZED QUARTERLY DATA
(thousands of United States dollars, except where noted)

	Three Months Ended				
	March 31, 2020	**June 30, 2020**	**September 30, 2020**	**December 31, 2020**	**Total 2020**
Operating margin[(i)]:					
Revenues from mining operations	$ 671,878	$ 557,175	$ 980,612	$ 928,448	$ 3,138,113
Production costs	356,102	280,394	412,803	374,853	1,424,152
Total operating margin[(i)]	315,776	276,781	567,809	553,595	1,713,961
Operating margin[(i)] by mine:					
Northern Business					
LaRonde mine	45,194	60,954	144,364	123,528	374,040
LaRonde Zone 5 mine	10,851	11,007	21,522	19,965	63,345
Goldex mine	35,160	22,840	36,350	50,177	144,527
Meadowbank Complex	3,813	(12,422)	46,032	44,344	81,767
Meliadine mine	57,226	49,207	109,313	107,617	323,363
Canadian Malartic mine[(ii)]	57,046	45,502	76,673	104,009	283,230
Kittila mine	41,910	59,089	62,807	38,442	202,248
Southern Business					
Pinos Altos mine	28,057	14,585	37,063	39,900	119,605
Creston Mascota mine	17,591	11,231	9,279	4,573	42,674
La India mine	18,928	14,788	24,406	21,040	79,162
Total operating margin[(i)]	315,776	276,781	567,809	553,595	1,713,961
Amortization of property, plant and mine development	153,509	129,465	173,173	174,954	631,101
Exploration, corporate and other	138,936	29,765	61,947	84,647	315,295
Income before income and mining taxes	23,331	117,551	332,689	293,994	767,565
Income and mining taxes	44,896	12,250	110,035	88,777	255,958
Net (loss) income for the period	$ (21,565)	$ 105,301	$ 222,654	$ 205,217	$ 511,607
Net (loss) income per share – basic	$ (0.09)	$ 0.44	$ 0.92	$ 0.85	$ 2.12
Net (loss) income per share – diluted	$ (0.09)	$ 0.43	$ 0.91	$ 0.84	$ 2.10
Cash flows:					
Cash provided by operating activities	$ 163,358	$ 162,648	$ 462,538	$ 403,510	$ 1,192,054
Cash used in investing activities	$ (178,166)	$ (177,738)	$ (205,893)	$ (247,015)	$ (808,812)
Cash provided by (used in) financing activities	$ 954,830	$ (914,418)	$ (268,802)	$ (74,432)	$ (302,822)

	Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	Total 2020
Realized prices:					
Gold (per ounce)	$ 1,579	$ 1,726	$ 1,911	$ 1,876	$ 1,788
Silver (per ounce)	$ 15.74	$ 17.11	$ 25.35	$ 24.49	$ 20.44
Zinc (per tonne)	$ 2,217	$ 1,920	$ 2,303	$ 2,664	$ 2,377
Copper (per tonne)	$ 5,410	$ 5,074	$ 6,972	$ 7,298	$ 6,298
Payable production[iii]:					
Gold (ounces)					
Northern Business					
LaRonde mine	55,223	62,266	81,199	89,551	288,239
LaRonde Zone 5 mine	14,464	12,051	18,981	16,178	61,674
Goldex mine	33,883	23,142	31,008	39,507	127,540
Meadowbank Complex	49,341	16,417	74,921	68,734	209,413
Meliadine mine	69,975	59,375	96,757	92,782	318,889
Canadian Malartic mine[ii]	64,763	56,785	76,398	86,371	284,317
Kittila mine	49,297	60,623	53,149	45,056	208,125
Southern Business					
Pinos Altos mine	33,310	13,880	30,937	36,671	114,798
Creston Mascota mine	18,184	9,646	6,567	4,202	38,599
La India mine	22,926	16,879	22,776	22,393	84,974
Total gold (ounces)	411,366	331,064	492,693	501,445	1,736,568
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	160	125	174	213	672
LaRonde Zone 5 mine	3	2	2	5	12
Goldex mine	1	–	–	1	2
Meadowbank Complex	20	2	18	23	63
Meliadine mine	6	6	7	8	27
Canadian Malartic mine[ii]	97	82	81	88	348
Kittila mine	3	3	3	2	11
Southern Business					
Pinos Altos mine	517	212	505	373	1,607
Creston Mascota mine	279	150	94	35	558

La India mine	20	17	14	14	65
Total silver (thousands of ounces)	1,106	599	898	762	3,365
Zinc (tonnes)	510	567	2,198	2,984	6,259
Copper (tonnes)	749	656	723	941	3,069

	Three Months Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	Total 2020
Payable metal sold:					
Gold (ounces)					
Northern Business					
LaRonde mine	38,273	56,283	105,457	81,979	281,992
LaRonde Zone 5 mine	14,258	11,712	17,835	18,169	61,974
Goldex mine	34,740	22,628	30,421	39,886	127,675
Meadowbank Complex	58,581	9,112	72,390	70,852	210,935
Meliadine mine	70,979	64,130	92,775	95,039	322,923
Canadian Malartic mine[(ii)(iv)]	64,900	47,384	75,568	79,946	267,798
Kittila mine	54,250	59,235	56,848	40,692	211,025
Southern Business					
Pinos Altos mine	34,997	16,661	30,470	36,475	118,603
Creston Mascota mine	16,408	10,484	7,573	5,145	39,610
La India mine	23,497	17,385	20,958	20,163	82,003
Total gold (ounces)	410,883	315,014	510,295	488,346	1,724,538
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	175	121	176	214	686
LaRonde Zone 5 mine	2	3	2	5	12
Goldex mine	–	1	–	1	2
Meadowbank Complex	22	2	9	32	65
Meliadine mine	8	5	4	9	26
Canadian Malartic mine[(ii)(iv)]	111	59	70	101	341
Kittila mine	3	2	4	2	11
Southern Business					
Pinos Altos mine	560	258	489	391	1,698
Creston Mascota mine	263	164	101	46	574
La India mine	22	14	21	9	66
Total silver (thousands of ounces)	1,166	629	876	810	3,481
Zinc (tonnes)	1,658	175	1,570	1,607	5,010
Copper (tonnes)	754	628	739	941	3,062

AGNICO EAGLE MINES LIMITED
SUMMARIZED QUARTERLY DATA
(thousands of United States dollars, except where noted)

	Three Months Ended				
	March 31, 2019	**June 30, 2019**	**September 30, 2019**	**December 31, 2019**	**Total 2019**
Operating margin[(i)]:					
Revenues from mining operations	$ 532,223	$ 526,611	$ 682,959	$ 753,099	$ 2,494,892
Production costs	276,893	279,497	316,346	374,969	1,247,705
Total operating margin[(i)]	255,330	247,114	366,613	378,130	1,247,187
Operating margin[(i)] by mine:					
Northern Business					
LaRonde mine	65,202	66,902	93,223	111,865	337,192
LaRonde Zone 5 mine	5,079	8,882	12,238	12,954	39,153
Lapa mine	2,033	–	–	–	2,033
Goldex mine	24,964	25,126	33,197	31,200	114,487
Meadowbank Complex	19,030	9,244	9,227	3,303	40,804
Meliadine mine	–	15,033	50,323	61,970	127,326
Canadian Malartic mine[(ii)]	54,629	60,232	70,263	73,015	258,139
Kittila mine	25,239	8,205	44,696	39,666	117,806
Southern Business					
Pinos Altos mine	34,099	27,281	30,003	28,004	119,387
Creston Mascota mine	11,115	14,863	12,203	4,041	42,222
La India mine	13,940	11,346	11,240	12,112	48,638
Total operating margin[(i)]	255,330	247,114	366,613	378,130	1,247,187
Gain on impairment reversal	–	–	–	(345,821)	(345,821)
Amortization of property, plant and mine development	128,242	124,203	143,293	150,319	546,057
Exploration, corporate and other	74,567	80,091	83,864	69,687	308,209
Income before income and mining taxes	52,521	42,820	139,456	503,945	738,742
Income and mining taxes	15,489	15,048	62,789	172,250	265,576
Net income for the period	$ 37,032	$ 27,772	$ 76,667	$ 331,695	$ 473,166
Net income per share – basic	$ 0.16	$ 0.12	$ 0.32	$ 1.39	$ 2.00
Net income per share – diluted	$ 0.16	$ 0.12	$ 0.32	$ 1.38	$ 1.99
Cash flows:					
Cash provided by operating activities	$ 148,690	$ 126,301	$ 349,233	$ 257,468	$ 881,692

Cash used in investing activities	$ (227,606)	$ (233,238)	$ (245,829)	$ (167,211)	$ (873,884)
Cash (used in) provided by financing activities	$ (33,454)	$ 34,906	$ 37,249	$ (28,091)	$ 10,610

	Three Months Ended				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	Total 2019
Realized prices:					
Gold (per ounce)	$ 1,303	$ 1,318	$ 1,480	$ 1,489	$ 1,406
Silver (per ounce)	$ 15.65	$ 14.83	$ 17.46	$ 17.55	$ 16.38
Zinc (per tonne)	$ 2,673	$ 2,811	$ 2,415	$ 2,398	$ 2,607
Copper (per tonne)	$ 6,087	$ 6,036	$ 5,569	$ 5,948	$ 5,892
Payable production[iii]:					
Gold (ounces)					
Northern Business					
LaRonde mine	77,433	76,587	91,664	97,470	343,154
LaRonde Zone 5 mine	12,988	16,170	15,438	15,234	59,830
Lapa mine	5	–	–	–	5
Goldex mine	34,454	34,325	37,142	34,963	140,884
Meadowbank Complex	43,502	39,457	48,870	61,660	193,489
Meliadine mine	17,582	61,112	78,093	81,607	238,394
Canadian Malartic mine[ii]	83,670	84,311	81,573	85,042	334,596
Kittila mine	49,336	20,077	61,343	55,345	186,101
Southern Business					
Pinos Altos mine	42,730	41,740	34,832	35,822	155,124
Creston Mascota mine	13,529	18,336	9,596	6,919	48,380
La India mine	22,988	20,200	18,386	20,616	82,190
Total gold (ounces)	398,217	412,315	476,937	494,678	1,782,147
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	197	196	227	263	883
LaRonde Zone 5 mine	2	3	2	5	12
Lapa mine	1	–	–	–	1
Goldex mine	–	1	–	1	2
Meadowbank Complex	22	20	29	15	86
Meliadine mine	1	4	6	7	18
Canadian Malartic mine[ii]	111	94	102	114	421
Kittila mine	4	2	4	3	13
Southern Business					
Pinos Altos mine	562	563	517	519	2,161

Creston Mascota mine	133	216	134	97	580
La India mine	46	33	27	27	133
Total silver (thousands of ounces)	1,079	1,132	1,048	1,051	4,310
Zinc (tonnes)	2,834	4,407	3,475	2,445	13,161
Copper (tonnes)	808	702	958	929	3,397

	Three Months Ended				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	Total 2019
Payable metal sold:					
Gold (ounces)					
Northern Business					
LaRonde mine	89,857	75,777	90,867	104,197	360,698
LaRonde Zone 5 mine	8,222	16,172	15,368	17,236	56,998
Lapa mine	3,777	–	–	–	3,777
Goldex mine	33,811	34,729	36,488	36,357	141,385
Meadowbank Complex	46,668	38,807	52,211	53,710	191,396
Meliadine mine	3,210	57,345	71,407	81,328	213,290
Canadian Malartic mine[(ii)(iv)]	74,846	79,800	77,595	83,215	315,456
Kittila mine	49,205	22,620	60,020	52,595	184,440
Southern Business					
Pinos Altos mine	42,455	39,500	37,535	36,260	155,750
Creston Mascota mine	14,610	16,400	12,285	7,310	50,605
La India mine	24,309	20,620	17,385	19,225	81,539
Total gold (ounces)	390,970	401,770	471,161	491,433	1,755,334
Silver (thousands of ounces)					
Northern Business					
LaRonde mine	186	221	212	264	883
LaRonde Zone 5 mine	2	3	2	4	11
Lapa mine	2	–	–	–	2
Goldex mine	–	1	–	1	2
Meadowbank Complex	23	14	32	15	84
Meliadine mine	–	1	–	15	16
Canadian Malartic mine[(ii)(iv)]	94	104	83	105	386
Kittila mine	4	4	1	5	14
Southern Business					
Pinos Altos mine	560	500	576	522	2,158
Creston Mascota mine	140	175	160	100	575
La India mine	54	34	26	26	140
Total silver (thousands of ounces)	1,065	1,057	1,092	1,057	4,271
Zinc (tonnes)	1,586	4,999	4,075	1,632	12,292
Copper (tonnes)	764	734	947	945	3,390

Notes:

(i) Operating margin is calculated as revenues from mining operations less production costs.

(ii) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.

(iii) Payable production (a non-GAAP non-financial performance measure) is the quantity of mineral produced during a period contained in products that are or will be sold by the Company, whether such products are sold during the period or held as inventories at the end of the period.

(iv) The Canadian Malartic mine's payable metal sold excludes the 5.0% net smelter return royalty granted to Osisko Gold Royalties Ltd., in connection with the Company's acquisition of its 50% interest of the Canadian Malartic mine.

AGNICO EAGLE MINES LIMITED
THREE YEAR FINANCIAL AND OPERATING SUMMARY
(thousands of United States dollars, except where noted)

	2020	2019	2018
Revenues from mining operations	$ 3,138,113	$ 2,494,892	$ 2,191,221
Production costs	1,424,152	1,247,705	1,160,355
Operating margin[(i)]	1,713,961	1,247,187	1,030,866
Amortization of property, plant and mine development	631,101	546,057	553,933
Impairment (reversal) loss	–	(345,821)	389,693
Exploration, corporate and other	315,295	308,209	346,292
Income (loss) before income and mining taxes	767,565	738,742	(259,052)
Income and mining taxes	255,958	265,576	67,649
Net income (loss) for the year	$ 511,607	$ 473,166	$ (326,701)
Net income (loss) per share – basic	$ 2.12	$ 2.00	$ (1.40)
Net income (loss) per share – diluted	$ 2.10	$ 1.99	$ (1.40)
Operating cash flow	$ 1,192,054	$ 881,692	$ 605,650
Investing cash flow	$ (808,812)	$ (873,884)	$ (1,204,368)
Financing cash flow	$ (302,822)	$ 10,610	$ 274,099
Dividends declared per share	$ 0.95	$ 0.55	$ 0.44
Capital expenditures per Consolidated Statements of Cash Flows	$ 759,342	$ 882,664	$ 1,089,100
Average gold price per ounce realized	$ 1,788	$ 1,406	$ 1,266
Average silver price per ounce realized	$ 20.44	$ 16.38	$ 15.51
Average zinc price per tonne realized	$ 2,377	$ 2,607	$ 3,034
Average copper price per tonne realized	$ 6,298	$ 5,892	$ 6,543
Weighted average number of common shares outstanding – basic (thousands)	241,508	236,934	233,251
Total assets	$ 9,614,755	$ 8,789,885	$ 7,852,843
Long-term debt	$ 1,565,241	$ 1,364,108	$ 1,721,308
Shareholders' equity	$ 5,683,213	$ 5,111,514	$ 4,550,012

	2020	2019	2018
Operating Summary			
LaRonde mine			
Revenues from mining operations	$ 543,864	$ 552,204	$ 516,673
Production costs	169,824	215,012	228,294
Operating margin[(i)]	$ 374,040	$ 337,192	$ 288,379
Amortization of property, plant and mine development	74,913	83,688	94,406
Gross profit	$ 299,127	$ 253,504	$ 193,973
Tonnes of ore milled	1,706,446	2,057,187	2,108,068
Gold – grams per tonne	5.53	5.46	5.32
Gold production – ounces	288,239	343,154	343,686
Silver production – thousands of ounces	672	883	1,040
Zinc production – tonnes	6,259	13,161	7,864
Copper production – tonnes	3,069	3,397	4,193
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 589	$ 627	$ 664
Adjustments:			
Inventory and other adjustments[(ii)]	54	33	(30)
Total cash costs per ounce of gold produced – co-product basis[(iii)]	$ 643	$ 660	$ 634
By-product metal revenues	(177)	(196)	(189)
Total cash costs per ounce of gold produced – by-product basis[(iii)]	$ 466	$ 464	$ 445
Minesite costs per tonne[(iv)]	C$ 127	C$ 125	C$ 119
LaRonde Zone 5 mine			
Revenues from mining operations	$ 111,244	$ 80,365	$ 21,327
Production costs	47,899	41,212	12,991
Operating margin[(i)]	$ 63,345	$ 39,153	$ 8,336
Amortization of property, plant and mine development	8,240	6,818	1,658
Gross profit	$ 55,105	$ 32,335	$ 6,678
Tonnes of ore milled	967,990	869,568	224,643
Gold – grams per tonne	2.10	2.27	2.76
Gold production – ounces	61,674	59,830	18,620
Silver production – thousands of ounces	12	12	2

		2020		2019		2018
Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	777	$	689	$	698
Adjustments:						
Inventory and other adjustments [ii]		(18)		36		35
Total cash costs per ounce of gold produced – co-product basis [iii]	$	759	$	725	$	733
By-product metal revenues		(4)		(3)		(1)
Total cash costs per ounce of gold produced – by-product basis [iii]	$	755	$	722	$	732
Minesite costs per tonne[iv]	C$	65	C$	66	C$	80
LaRonde Complex						
Revenues from mining operations	$	655,108	$	632,569	$	538,000
Production costs		217,723		256,224		241,285
Operating margin[i]	$	437,385	$	376,345	$	296,715
Amortization of property, plant and mine development		83,153		90,506		96,064
Gross profit	$	354,232	$	285,839	$	200,651
Tonnes of ore milled		2,674,436		2,926,755		2,332,711
Gold – grams per tonne		4.29		4.51		5.07
Gold production – ounces		349,913		402,984		362,306
Silver production – thousands of ounces		684		895		1,042
Zinc production – tonnes		6,259		13,161		7,864
Copper production – tonnes		3,069		3,397		4,193
Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	622	$	636	$	666
Adjustments:						
Inventory and other adjustments [ii]		42		34		(27)
Total cash costs per ounce of gold produced – co-product basis [iii]	$	664	$	670	$	639
By-product metal revenues		(147)		(167)		(180)
Total cash costs per ounce of gold produced – by-product basis [iii]	$	517	$	503	$	459
Minesite costs per tonne[iv]	C$	105	C$	108	C$	116

	2020	2019	2018
Lapa mine			
Revenues from mining operations	$ –	$ 4,877	$ 39,797
Production costs	–	2,844	27,870
Operating margin[(i)]	$ –	$ 2,033	$ 11,927
Amortization of property, plant and mine development	–	30	268
Gross profit	$ –	$ 2,003	$ 11,659
Tonnes of ore milled	–	–	311,013
Gold – grams per tonne	–	–	4.24
Gold production – ounces	–	5	34,026
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ –	$ –	$ 819
Adjustments:			
Inventory and other adjustments[(ii)]	–	–	54
Total cash costs per ounce of gold produced – co-product basis[(iii)(v)]	$ –	$ –	$ 873
By-product metal revenues	–	–	(1)
Total cash costs per ounce of gold produced – by-product basis[(iii)(v)]	$ –	$ –	$ 872
Minesite costs per tonne[(iv)]	C$ –	C$ –	C$ 123
Goldex mine			
Revenues from mining operations	$ 227,181	$ 197,020	$ 152,426
Production costs	82,654	82,533	78,533
Operating margin[(i)]	$ 144,527	$ 114,487	$ 73,893
Amortization of property, plant and mine development	36,116	43,452	37,390
Gross profit	$ 108,411	$ 71,035	$ 36,503
Tonnes of ore milled	2,654,677	2,784,524	2,624,682
Gold – grams per tonne	1.64	1.71	1.54
Gold production – ounces	127,540	140,884	121,167
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 648	$ 586	$ 648
Adjustments:			
Inventory and other adjustments[(ii)]	(14)	(2)	(2)
Total cash costs per ounce of gold produced – co-product basis[(iii)]	$ 634	$ 584	$ 646
By-product metal revenues	–	–	–
Total cash costs per ounce of gold produced – by-product basis[(iii)]	$ 634	$ 584	$ 646

Minesite costs per tonne[iv]	C$	41	C$	39	C$	39

	2020	2019	2018
Meadowbank Complex			
Revenues from mining operations	$ 366,743	$ 221,652	$ 323,142
Production costs	284,976	180,848	211,147
Operating margin[(i)]	$ 81,767	$ 40,804	$ 111,995
Amortization of property, plant and mine development	70,015	64,285	83,361
Gross profit	$ 11,752	$ (23,481)	$ 28,634
Tonnes of ore milled	2,602,827	2,750,306	3,262,040
Gold – grams per tonne	2.72	2.35	2.56
Gold production – ounces	209,413	193,489	248,997
Silver production – thousands of ounces	63	86	171
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 1,436	$ 1,143	$ 848
Adjustments:			
Inventory and other adjustments[(ii)]	(25)	18	(23)
Total cash costs per ounce of gold produced – co-product basis[(iii)(vi)]	$ 1,411	$ 1,161	$ 825
By-product metal revenues	(7)	(9)	(11)
Total cash costs per ounce of gold produced – by-product basis[(iii)(vi)]	$ 1,404	$ 1,152	$ 814
Minesite costs per tonne[(iv)(vii)]	C$ 148	C$ 103	C$ 82
Meliadine mine			
Revenues from mining operations	$ 569,063	$ 270,258	$ –
Production costs	245,700	142,932	–
Operating margin[(i)]	$ 323,363	$ 127,326	$ –
Amortization of property, plant and mine development	108,958	48,901	–
Gross profit	$ 214,405	$ 78,425	$ –
Tonnes of ore milled	1,395,298	1,036,746	–
Gold – grams per tonne	7.35	7.60	–
Gold production – ounces	318,889	238,394	–
Silver production – thousands of ounces	27	18	–

		2020		2019		2018
Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	786	$	748	$	–
Adjustments:						
Inventory and other adjustments [ii]		(10)		2		–
Total cash costs per ounce of gold produced – co-product basis [iii][viii]	$	776	$	750	$	–
By-product metal revenues		(2)		(2)		–
Total cash costs per ounce of gold produced – by-product basis [iii][viii]	$	774	$	748	$	–
Minesite costs per tonne[iv][ix]	C$	240	C$	246	C$	–
Canadian Malartic mine [x]						
Revenues from mining operations	$	478,542	$	466,317	$	448,526
Production costs		195,312		208,178		199,761
Operating margin [i]	$	283,230	$	258,139	$	248,765
Amortization of property, plant and mine development		132,531		119,822		126,422
Gross profit	$	150,699	$	138,317	$	122,343
Tonnes of ore milled		10,399,883		10,524,531		10,241,870
Gold – grams per tonne		0.97		1.11		1.20
Gold production – ounces		284,317		334,596		348,600
Silver production – thousands of ounces		348		421		437
Total cash costs per ounce of gold produced ($ per ounce basis):						
Production costs	$	736	$	628	$	573
Adjustments:						
Inventory and other adjustments [ii]		14		(2)		6
Total cash costs per ounce of gold produced – co-product basis [iii][xi]	$	750	$	626	$	579
By-product metal revenues		(27)		(20)		(20)
Total cash costs per ounce of gold produced – by-product basis [iii][xi]	$	723	$	606	$	559
Minesite costs per tonne[iv][xii]	C$	27	C$	26	C$	25
Kittila mine						
Revenues from mining operations	$	372,132	$	260,323	$	237,284
Production costs		169,884		142,517		157,032
Operating margin [i]	$	202,248	$	117,806	$	80,252
Amortization of property, plant and mine development		70,530		56,085		71,732
Gross profit	$	131,718	$	61,721	$	8,520

	2020	2019	2018
Tonnes of ore milled	1,701,511	1,590,902	1,827,335
Gold – grams per tonne	4.38	4.15	3.80
Gold production – ounces	208,125	186,101	188,979
Silver production – thousands of ounces	11	13	13
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 816	$ 766	$ 831
Adjustments:			
Inventory and other adjustments [ii]	(10)	(29)	23
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 806	$ 737	$ 854
By-product metal revenues	(1)	(1)	(1)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 805	$ 736	$ 853
Minesite costs per tonne [iv]	€ 86	€ 76	€ 75
Pinos Altos mine			
Revenues from mining operations	$ 244,283	$ 249,577	$ 270,855
Production costs	124,678	130,190	138,362
Operating margin [i]	$ 119,605	$ 119,387	$ 132,493
Amortization of property, plant and mine development	65,401	58,302	70,203
Gross profit	$ 54,204	$ 61,085	$ 62,290
Tonnes of ore processed	1,796,317	2,006,652	2,217,979
Gold – grams per tonne processed at the mill	2.25	2.65	2.96
Gold production – ounces	114,798	155,124	181,057
Silver production – thousands of ounces	1,607	2,161	2,368
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 1,086	$ 839	$ 764
Adjustments:			
Inventory and other adjustments [ii]	(36)	28	(15)
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 1,050	$ 867	$ 749
By-product metal revenues	(301)	(228)	(201)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 749	$ 639	$ 548
Minesite costs per tonne [iv]	$ 66	$ 66	$ 61

	2020	2019	2018
Creston Mascota mine			
Revenues from mining operations	$ 77,762	$ 78,023	$ 54,673
Production costs	35,088	35,801	37,270
Operating margin[(i)]	$ 42,674	$ 42,222	$ 17,403
Amortization of property, plant and mine development	14,577	18,538	18,465
Gross profit	$ 28,097	$ 23,684	$ (1,062)
Tonnes of ore processed	525,650	1,066,907	1,422,411
Gold – grams per tonne	2.00	1.87	1.03
Gold production – ounces	38,599	48,380	40,180
Silver production – thousands of ounces	558	580	310
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 909	$ 740	$ 928
Adjustments:			
Inventory and other adjustments[(ii)]	(42)	14	33
Total cash costs per ounce of gold produced – co-product basis[(iii)]	$ 867	$ 754	$ 961
By-product metal revenues	(262)	(200)	(120)
Total cash costs per ounce of gold produced – by-product basis[(iii)]	$ 605	$ 554	$ 841
Minesite costs per tonne[(iv)(xiii)]	$ 54	$ 33	$ 27
La India mine			
Revenues from mining operations	$ 147,299	$ 114,276	$ 126,518
Production costs	68,137	65,638	69,095
Operating margin[(i)]	$ 79,162	$ 48,638	$ 57,423
Amortization of property, plant and mine development	44,671	40,591	48,329
Gross profit	$ 34,491	$ 8,047	$ 9,094
Tonnes of ore processed	5,525,514	5,402,415	6,127,526
Gold – grams per tonne	0.67	0.68	0.72
Gold production – ounces	84,974	82,190	101,357
Silver production – thousands of ounces	65	133	180

	2020	2019	2018
Total cash costs per ounce of gold produced ($ per ounce basis):			
Production costs	$ 802	$ 799	$ 682
Adjustments:			
Inventory and other adjustments [ii]	1	50	30
Total cash costs per ounce of gold produced – co-product basis [iii]	$ 803	$ 849	$ 712
By-product metal revenues	(15)	(26)	(27)
Total cash costs per ounce of gold produced – by-product basis [iii]	$ 788	$ 823	$ 685
Minesite costs per tonne [iv]	$ 12	$ 13	$ 12

Notes:

(i) Operating margin is calculated as revenues from mining operations less production costs.
(ii) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon the transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.
(iii) The total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. The total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). The total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. The total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as the total cash costs per ounce of gold produced on a by-product basis, except that no adjustment is made for by-product metal revenues. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals. The total cash costs per ounce of gold produced is intended to provide information about the cash-generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash-generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. Management also performs sensitivity analysis in order to quantify the effects of fluctuating metal prices and exchange rates.
(iv) Minesite costs per tonne is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. Minesite costs per tonne are calculated by adjusting production costs as recorded in the consolidated statements of income (loss) for inventory production costs and other adjustments, and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced can be affected by fluctuations in by-product metal prices and foreign exchange rates, management believes that minesite costs per tonne provide additional information regarding the performance of mining operations, eliminating the impact of varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in processing levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with IFRS.
(v) The Lapa mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 5 ounces of payable production of gold, which were credited to the Company as a result of final refining reconciliation following the cessation of mining and processing operations at the site.
(vi) The Meadowbank Complex's cost calculations per ounce of gold produced for the year ended December 31, 2020 exclude 10,995 ounces of payable production of gold which were produced prior to the achievement of commercial production at the IVR deposit on December 31, 2020. The Meadowbank Complex's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 35,281 ounces of payable production of gold which were produced prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.
(vii) The Meadowbank Complex's cost calculations per tonne for the year ended December 31, 2020 exclude 121,317 tonnes which were processed prior to the achievement of commercial production at the IVR deposit on December 31, 2020. The Meadowbank Complex's cost calculations per tonne for the year ended December 31, 2019 exclude 369,519 tonnes which were processed prior to the achievement of commercial production at the Amaruq satellite deposit on September 30, 2019.
(viii) The Meliadine mine's cost calculations per ounce of gold produced for the year ended December 31, 2020 exclude 6,491 ounces of payable production of gold which were produced during this period as commercial production at the Tiriganiaq open pit deposit has not yet been achieved. The Meliadine mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 47,281 ounces of payable production of gold which were produced prior to the achievement of commercial production on May 14, 2019.
(ix) The Meliadine mine's cost calculations per tonne for the year ended December 31, 2020 exclude 49,504 tonnes which were processed during this period as commercial production at the Tiriganiaq open pit deposit has not yet been achieved. The Meliadine mine's cost calculations per tonne for the year ended December 31, 2019 exclude 263,749 tonnes which were processed prior to the achievement of commercial production on May 14, 2019.
(x) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.
(xi) The Canadian Malartic mine's cost calculations per ounce of gold produced for the year ended December 31, 2020 exclude 18,930 ounces of payable production of gold, which were produced prior to the achievement of commercial production at the Barnat deposit on September 30, 2020. The Canadian Malartic mine's cost calculations per ounce of gold produced for the year ended December 31, 2019 exclude 3,137 ounces of payable production of gold which were produced prior to the achievement of commercial production at the Barnat deposit on September 30, 2020.

(xii) The Canadian Malartic mine's cost calculations per tonne for the year ended December 31, 2020 exclude 731,309 tonnes, which were processed prior to the achievement of commercial production at the Barnat deposit on September 30, 2020. The Canadian Malartic mine's cost calculations per tonne for the year ended December 31, 2019 exclude 133,615 tonnes which were processed prior to the achievement of commercial production at the Barnat deposit on September 30, 2020.

(xiii) The Creston Mascota mine's cost calculation per tonne for the year ended December 31, 2020 exclude approximately $6.1 million of production costs incurred during the three months ended December 31, 2020 following the cessation of mining activities at the Bravo pit during the third quarter of 2020.

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NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES
NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE
GOLD ($ per ounce)
SILVER ($ per ounce)
Total Production Costs by Category 2020
AGNICO EAGLE MINES LIMITED SUMMARIZED QUARTERLY DATA (thousands of United States dollars, except where noted)
AGNICO EAGLE MINES LIMITED SUMMARIZED QUARTERLY DATA (thousands of United States dollars, except where noted)
AGNICO EAGLE MINES LIMITED THREE YEAR FINANCIAL AND OPERATING SUMMARY (thousands of United States dollars, except where noted)

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Exhibit 99.4

Rule 13a-14(a) or Rule 15d-14(a) Certification — CEO

I, Sean Boyd, certify that:

1. I have reviewed this annual report on Form 40-F of Agnico Eagle Mines Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Toronto, Canada
March 26, 2021

/s/ SEAN BOYD

Sean Boyd
Vice-Chairman and Chief Executive Officer

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Exhibit 99.4

Rule 13a-14(a) or Rule 15d-14(a) Certification — CEO

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Exhibit 99.5

Rule 13a-14(a) or Rule 15d-14(a) Certification — CFO

I, David Smith, certify that:

1. I have reviewed this annual report on Form 40-F of Agnico Eagle Mines Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Toronto, Canada
March 26, 2021

/s/ DAVID SMITH

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

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Exhibit 99.5

Rule 13a-14(a) or Rule 15d-14(a) Certification — CFO

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Exhibit 99.6

Rule 13a-14(b) Certification CEO

In connection with the annual report of Agnico Eagle Mines Limited (the "Company") on Form 40-F for the fiscal year ended December 31, 2020 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, 2021

/s/ SEAN BOYD

Sean Boyd
Vice-Chairman and Chief Executive Officer

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Exhibit 99.6

Rule 13a-14(b) Certification CEO

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Exhibit 99.7

Rule 13a-14(b) Certification CFO

In connection with the annual report of Agnico Eagle Mines Limited (the "Company") on Form 40-F for the fiscal year ended December 31, 2020 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, 2021

/s/ DAVID SMITH

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

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Exhibit 99.7

Rule 13a-14(b) Certification CFO

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Exhibit 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our Firm under the caption "Interests of Experts" in the Annual Information Form of Agnico Eagle Mines Limited for the year ended December 31, 2020, which is included in this Annual Report on Form 40-F. We also consent to the incorporation by reference in the following Registration Statements:

- Form F-10 (registration no. 333-234778);
- Form F-3D (registration no. 333-249203); and
- Form S-8 (registration nos. 333-130339 and 333-152004)

of Agnico Eagle Mines Limited, and to the use in this Annual Report on Form 40-F, of our reports dated March 26, 2021 with respect to the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of income (loss), comprehensive income (loss), equity and cash flows for the years then ended, and the effectiveness of internal control over financial reporting of Agnico Eagle Mines Limited as of December 31, 2020 included in this Annual Report on Form 40-F.

Toronto, Canada
March 26, 2021

/s/ ERNST & YOUNG LLP

ERNST & YOUNG LLP
Chartered Professional Accountants
Licensed Public Accountants

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Exhibit 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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Exhibit 99.9

CONSENT OF DYANE DUQUETTE

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-249203) 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, 2021

/s/ DYANE DUQUETTE

Dyane Duquette
Corporate Director, Reserves Development

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Exhibit 99.9

CONSENT OF DYANE DUQUETTE

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Exhibit 99.10

CONSENT OF SYLVIE LAMPRON

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-249203) 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, 2021

/s/ SYLVIE LAMPRON

Sylvie Lampron
Senior Project Mine Engineer at Canadian Malartic Corporation

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Exhibit 99.10

CONSENT OF SYLVIE LAMPRON

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Exhibit 99.11

CONSENT OF PASCAL LEHOUILLER

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

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March 26, 2021

/s/ PASCAL LEHOUILLER

Pascal Lehouiller
Senior Resource Geologist at Canadian Malartic Corporation

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Exhibit 99.11

CONSENT OF PASCAL LEHOUILLER

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Exhibit 99.12

CONSENT OF GUY GOSSELIN

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

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March 26, 2021

/s/ GUY GOSSELIN

Guy Gosselin
Senior Vice President, Exploration

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Exhibit 99.12

CONSENT OF GUY GOSSELIN

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Exhibit 99.13

CONSENT OF CAROL PLUMMER

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

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March 26, 2021

/s/ CAROL PLUMMER

Carol Plummer
Senior Vice President, Sustainability, People & Culture

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Exhibit 99.13

CONSENT OF CAROL PLUMMER

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Exhibit 99.14

CONSENT OF MARC LEGAULT

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-249203) 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, 2021

/s/ MARC LEGAULT

Marc Legault
Senior Vice-President, Operations — U.S.A., Mexico & Latin America

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Exhibit 99.14

CONSENT OF MARC LEGAULT

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Exhibit 99.15

CONSENT OF PAUL COUSIN

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-249203) 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, 2021

/s/ PAUL COUSIN

Paul Cousin
Vice-President, Operational Sustainability

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Exhibit 99.15

CONSENT OF PAUL COUSIN

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Exhibit 99.16

CONSENT OF FRANCIS BRUNET

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-249203) 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, 2021

/s/ FRANCIS BRUNET

Francis Brunet
Corporate Director Business Strategy

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Exhibit 99.16

CONSENT OF FRANCIS BRUNET

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Exhibit 99.17

CONSENT OF DOMINIQUE GIRARD

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-249203) 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, 2021

/s/ DOMINIQUE GIRARD

Dominique Girard
Senior Vice President, Operations — Canada and Europe

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Exhibit 99.17

CONSENT OF DOMINIQUE GIRARD

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Exhibit 99.18

CONSENT OF DANIEL PARÉ

I consent to the inclusion in the Annual Report on Form 40-F of Agnico Eagle Mines Limited for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 26, 2021 (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, 2021 (the "AIF") filed as part of the Annual Report.

I also consent to the incorporation by reference in the Registration Statements on Form F-10 (registration no. 333-234778), Form F-3D (registration no. 333-249203) 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, 2021

/s/ DANIEL PARÉ

Daniel Paré
Vice President, Operations — Eastern Canada

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Exhibit 99.18

CONSENT OF DANIEL PARÉ