AGNICO EAGLE MINES LTD

FORM 20-F

(Annual and Transition Report (foreign private issuer))

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report
For the transition period from _____to _____

Commission file number: 1-13422

AGNICO-EAGLE MINES LIMITED

(Exact name of Registrant as Specified in its Charter)

Not Applicable
(Translation of Registrant's Name into English)

Ontario, Canada
(Jurisdiction of Incorporation or Organization)

145 King Street East, Suite 400
Toronto, Ontario, Canada M5C 2Y7
(Address of Principal Executive Offices)

R. Gregory Laing
145 King Street East, Suite 400
Toronto, Ontario, Canada M5C 2Y7
Telephone: 416-947-1212 Fax: 416-367-4681
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

Common Shares, without par value	**The Toronto Stock Exchange and the New York Stock Exchange**
(Title of Class)	*(Name of exchange on which registered)*

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

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

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.

172,006,593 Common Shares as of December 31, 2012

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to

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

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes ☐ No ☒

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* Omitted pursuant to General Instruction E(b) of Form 20-F.

** The registrant provides the financial statements and related information specified in Item 18.

PRELIMINARY NOTE

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 Report on Form 20-F ("Form 20-F") are stated in United States dollars ("U.S. dollars", "$" or "US$"), except where otherwise indicated. Certain information in this Form 20-F is presented in Canadian dollars ("C$") or European Union euros ("Euro" or "€"). See "Item 3 Key Information – Currency Exchange Rates" for a history of exchange rates of Canadian dollars into U.S. dollars.

Generally Accepted Accounting Principles: Agnico-Eagle reports its financial results using United States generally accepted accounting principles ("US GAAP") due to its substantial U.S. shareholder base and to maintain comparability with other gold mining companies. Unless otherwise specified, all references to financial results herein are to those calculated under US GAAP.

Forward-Looking Information: Certain statements in this Form 20-F, referred to herein as "forward-looking statements", constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" under the provisions of Canadian provincial securities laws. These statements relate to, among other things, the Company's plans, objectives, expectations, estimates, beliefs, strategies and intentions and can generally be identified by the use of words such as "anticipate", "believe", "budget", "could", "estimate", "expect", "forecast", "intend", "likely", "may", "plan", "project", "schedule", "should", "target", "will", "would" or other variations of these terms or similar words. Forward-looking statements in this report include, but are not limited to, the following:

- the Company's outlook for 2013 and future periods;
- statements regarding future earnings, and the sensitivity of earnings to gold and other metal prices;
- anticipated levels or trends for prices of gold and byproduct metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;
- estimates of future mineral production and sales;
- estimates of future costs, including mining costs, total cash costs per ounce, all-in sustaining costs, minesite costs per tonne and other expenses;
- estimates of future capital expenditure, exploration expenditure and other cash needs, and expectations as to the funding thereof;
- statements regarding the projected exploration, development and exploitation of certain ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;
- estimates of mineral reserves, mineral resources and ore grades and statements regarding anticipated future exploration results;
- estimates of cash flow;
- estimates of mine life;
- anticipated timing of events with respect to the Company's minesites, mine construction projects and exploration projects;
- estimates of future costs and other liabilities for environmental remediation;
- statements regarding anticipated legislation and regulation regarding climate change and estimates of the impact on the Company; and
- other anticipated trends with respect to the Company's capital resources and results of operations.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Agnico-Eagle as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions of Agnico-Eagle upon which the forward-looking statements in this Form 20-F are based, and which may prove to be incorrect, include, but are not limited to, the assumptions set out elsewhere in this Form 20-F as well as: that there are no significant disruptions affecting Agnico-Eagle's operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural or man-made occurrences, mining or milling issues, political changes, title issues or otherwise; that permitting, development and

expansion at each of Agnico-Eagle's mines and mine development projects proceed on a basis consistent with current expectations, and that Agnico-Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, Euro, Mexican peso and the U.S. dollar will be approximately consistent with current levels or as set out in this Form 20-F; that prices for gold, silver, zinc, copper and lead will be consistent with Agnico-Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico-Eagle's current expectations; that production meets expectations; that Agnico-Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recovery are accurate; that there are no material delays in the timing for completion of development projects; and that there are no material variations in the current tax and regulatory environment that affect Agnico-Eagle.

The forward-looking statements in this Form 20-F reflect the Company's views as at the date of this Form 20-F and involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the Risk Factors set out in "Item 3 Key Information – Risk Factors". 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 20-F contains information regarding anticipated total cash costs per ounce, all-in sustaining costs and minesite costs per tonne at certain of the Company's mines and mine development projects. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. Investors are cautioned that this information may not be suitable for other purposes.

Meaning of "including" and "such as": When used in this Form 20-F, the terms "including" and "such as" mean including and such as, without limitation.

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESOURCES

The mineral reserve and mineral resource estimates contained in this Form 20-F have been prepared in accordance with the Canadian securities regulatory authorities' (the "CSA") National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). These standards are similar to those used by the United States Securities and Exchange Commission's (the "SEC") Industry Guide No. 7, as interpreted by Staff at the SEC ("Guide 7"). However, the definitions in NI 43-101 differ in certain respects from those under Guide 7. Accordingly, mineral reserve information contained or incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies. Under the requirements of the SEC, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC does not recognize measures of "mineral resource".

The mineral reserve figures presented herein are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The Company does not include equivalent gold ounces for byproduct metals contained in mineral reserves in its calculation of contained ounces.

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

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

Cautionary Note to Investors Concerning Estimates of Inferred Mineral Resources

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

NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE

This Form 20-F presents certain measures, including "total cash costs per ounce" and "minesite costs per tonne", that are not recognized measures under US GAAP. This data may not be comparable to data presented by other gold producers. For a reconciliation of these measures to the figures presented in the consolidated financial statements prepared in accordance with US GAAP, see "Item 5 Operating and Financial Review and Prospects – Results of Operations – Production Costs". The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. However, these non-US GAAP measures should be considered together with other data prepared in accordance with US GAAP, and these measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with US GAAP. This Form 20-F also contains information as to estimated future total cash costs per ounce, all-in sustaining costs and minesite costs per tonne. The estimates of total cash costs per ounce, all-in sustaining costs and minesite costs per tonne are based upon the total cash costs per ounce, all-in sustaining costs and minesite costs per tonne that the Company expects to incur to mine gold at its 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-US GAAP financial measures to the most comparable US GAAP measure.

PART I

ITEM 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Pursuant to the instructions to Item 1 of Form 20-F, this information has not been provided.

ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3 KEY INFORMATION

Selected Financial Data

The following selected financial data for each of the years in the five-year period ended December 31, 2012 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 Item 5 of this Form 20-F, the consolidated financial statements and the notes thereto set out in Item 18 of this Form 20-F and other financial information included elsewhere in this Form 20-F.

	Year Ended December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
	(in thousands of U.S. dollars, US GAAP basis, other than share and per share information)				
Income Statement Data					
Revenues from mining operations	1,917,714	1,821,799	1,422,521	613,762	368,938
Production costs	897,712	876,078	677,472	306,318	186,862
Exploration and corporate development	109,500	75,721	54,958	36,279	34,704
Amortization	271,861	261,781	192,486	72,461	36,133
General and administrative	119,085	107,926	94,327	63,687	47,187
Write-down of available-for-sale securities	12,732	8,569	–	–	74,812
Loss (Gain) on derivative financial instruments	820	(3,683)	(7,612)	–	–
Provincial capital tax	4,001	9,223	(6,075)	5,014	5,332
Interest	57,887	55,039	49,493	8,448	2,952
Interest and sundry income	(1,667)	5,188	(10,254)	(16,172)	(11,721)
Loss on Goldex mine	–	302,893	–	–	–
Impairment loss on Meadowbank mine	–	907,681	–	–	–
Gain on acquisition of Comaplex, net of transaction costs	–	–	(57,526)	–	–
Gain on sale of available-for-sale-securities	(9,733)	(4,907)	(19,487)	(10,142)	(25,626)
Foreign exchange (gain) loss	16,320	(1,082)	19,536	39,831	(77,688)
Income before income and mining taxes	435,141	(778,628)	435,203	108,038	95,991
Income and mining taxes (recoveries)	124,225	(209,673)	103,087	21,500	22,824
Net income	310,916	(568,955)	332,116	86,538	73,167
Attributed to non-controlling interest	–	(60)	–	–	–
Attributed to common shareholders	310,916	(568,895)	–	–	–
Net income per share – basic	1.82	(3.36)	2.05	0.55	0.51
Net income per share – diluted	1.81	(3.36)	2.00	0.55	0.50
Weighted average number of shares outstanding – basic	171,250,179	170,275,475	162,342,686	155,942,151	144,740,658
Weighted average number of shares outstanding – diluted	171,485,615	170,275,475	165,842,259	158,620,888	145,888,728
Dividends declared per common share	1.02	–	0.64	0.18	0.18
Balance Sheet Data (at end of period)					
Mining properties (net)	4,067,456	3,895,355	4,564,563	3,581,798	2,997,500

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Total assets	5,225,842	5,034,262	5,500,351	4,247,357	3,378,824
Long-term debt	830,000	920,095	650,000	715,000	200,000
Reclamation provision and other liabilities	127,735	145,988	145,536	96,255	71,770
Net assets	3,410,212	3,215,163	3,665,450	2,751,761	2,517,756
Common shares	3,241,922	3,181,381	3,078,217	2,378,759	2,299,747
Shareholders' equity	3,410,212	3,215,163	3,665,450	2,751,761	2,517,756
Total common shares outstanding	172,296,610	170,859,604	168,720,355	156,625,174	154,808,918

Currency Exchange Rates

All dollar amounts in this Form 20-F are in U.S. dollars, except where otherwise indicated. The following tables set out, in Canadian dollars, the exchange rates for the U.S. dollar, based on the noon buying rate as reported by the Bank of Canada (the "Noon Buying Rate"). On March 11, 2013, the Noon Buying Rate was US$1.00 equals C$1.0268.

	Year Ended December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
High	1.0418	1.0604	1.0778	1.3000	1.2969
Low	0.9710	0.9449	0.9946	1.0292	0.9719
End of Period	0.9949	1.0170	0.9946	1.0466	1.2246
Average	0.9996	0.9891	1.0299	1.1420	1.0660

	2013			**2012**			
	March (to March 11)	**February**	**January**	**December**	**November**	**October**	**September**
High	1.0314	1.0285	1.0078	0.9952	1.0028	1.0004	0.9902
Low	1.0268	0.9960	0.9839	0.9841	0.9927	0.9763	0.9710
End of Period	1.0268	1.0285	0.9992	0.9949	0.9932	0.9996	0.9837
Average	1.0290	1.0098	0.9921	0.9896	0.9970	0.9872	0.9783

On December 31, 2012 and March 11, 2013, US$1.00 equalled €0.7579 and €0.7696, respectively, as reported by the European Central Bank.

Risk Factors

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

The Company's earnings are directly related to commodity prices, as revenues are derived from the sale of precious metals (gold and silver), zinc, copper and lead. Gold prices, which have the greatest impact on the Company's financial performance, fluctuate widely and are affected by numerous factors beyond the Company's control, including central bank purchases and sales, producer hedging and de-hedging activities, expectations of inflation, investment demand, the relative exchange rate of the U.S. dollar with other major currencies, interest rates, global and regional demand, political and economic conditions, production costs in major gold-producing regions, speculative positions taken by investors or traders in gold and changes in supply, including worldwide production levels. The aggregate effect of these factors is impossible to predict with accuracy. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may materially adversely affect the Company's financial performance or results of operations. If the market price of gold falls below the Company's total cash costs per ounce of production at one or more of its projects at that time and remains so for any sustained period, the Company may experience losses and/or may curtail or suspend some or all of its exploration, development and mining activities at such projects or at other projects. In addition, such fluctuations may require changes to the mine plan. The Company's decisions to proceed with the operations at its currently operating mines were based on a market price of gold between $400 and $690 per ounce. If the market price of gold falls below these levels, the mines may be rendered uneconomic and production may be suspended. The Company's evaluation of the acquisition of the Meliadine project was based on an assumption of a market price of gold of $950 per ounce, the evaluation of the acquisition of the La India mine project was based on an assumption of a market price of gold of $1,150 per ounce and the decision to proceed with the development and mining of the M and E Zones at Goldex was based on a market price of gold of $1,342 per ounce. If the market price of gold falls below these respective levels, future activity at the Meliadine project, the La India mine project or the Goldex mine project may be rendered uneconomic and activities may be suspended. The Company's current mine plans are all based on a gold price of $1,342 per ounce and reserve and resource estimates are based on a gold price of $1,490 per ounce or $1,345 per ounce (see "Item 4 – Information on the Company – Property, Plant and Equipment – Mineral Reserves and Mineral Resources – Information on Mineral Reserves and Mineral Resources of the Company"); if the price of gold falls below these levels the mine plans may have to be changed, which may result in reduced production, higher costs than anticipated or both and estimates of reserves and resources may have to be reduced. Further, the prices received from the sale of the Company's byproduct metals produced at its LaRonde mine (zinc, silver, copper and lead) and its Pinos Altos mine (silver) affect the Company's ability to meet its targets for total cash costs per ounce or all-in sustaining costs of gold produced. These byproduct metal prices fluctuate widely and are also affected by numerous factors beyond the Company's control. The Company's policy and practice is not to sell forward its future gold production; however, under the Company's price risk management policy, approved by the Company's board of directors (the "Board" or the "Board of Directors"), the Company may review this practice on a project by project basis. See "Item 11 Quantitative and Qualitative Disclosures about Market Risk – Derivatives" for more details on the Company's use of derivative instruments. The Company occasionally uses derivative instruments to mitigate the effects of fluctuating byproduct metal prices; however, these measures may not be successful.

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

	2013 (to March 11)	2012	2011	2010	2009	2008
High price ($ per ounce)	1,694	1,792	1,895	1,421	1,212	1,011
Low price ($ per ounce)	1,574	1,540	1,319	1,058	810	712
Average price ($ per ounce)	1,640	1,669	1,572	1,125	972	872

On March 11, 2013, the London P.M. Fix was $1,579 per ounce of gold.

The assumptions that underlie the estimate of future operating results and the strategies used to mitigate the effects of risks of metal prices are set out herein and in "Item 5 Operating and Financial Review and Prospects – Outlook – Gold Production Growth" of this Form 20-F.

Based on 2013 production estimates, the approximate sensitivities of the Company's after-tax income to a 10% change in certain metal prices from 2012 market average prices are as follows:

	Income per share
Gold	$0.69
Silver	$0.01
Zinc	$0.02
Copper	$0.06

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

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

The Company's operations at the Meadowbank mine in Nunavut accounted for approximately 35% of the Company's gold production in 2012 and are expected to account for approximately 36% of the Company's gold production in 2013. The Pinos Altos mine in northern Mexico accounted for approximately 23% of the Company's gold production in 2012 and is expected to account for approximately 19% of the Company's gold production in 2013. Also, in 2012 the Meadowbank mine and the Pinos Altos mine accounted for approximately 26% and 29%, respectively, of the Company's operating margin. In 2011, gold production at the Meadowbank mine was approximately 90,000 ounces below the Company's expectation as a result of issues that included a fire that destroyed the minesite's kitchen facilities and above anticipated dilution. In addition, for the year ended December 31, 2011, the Company performed a full review of the Meadowbank mine's operation and updated the related life of mine plan. The review considered the exploration potential of the area, the current mineral reserves and resources, the projected operating costs in light of persistently high operating costs experienced since the commencement of commercial operations, metallurgical performance and gold price. The updated life of mine plan contemplated a shorter mine life and reduced reserves and resources and required the Company to incur a pre-tax asset impairment charge of $907.7 million. Any adverse condition affecting mining or milling conditions at the Meadowbank or Pinos Altos mines could be expected to have a material adverse effect on the Company's financial performance and results of operations (see "– The Company's recently opened mines, mine construction projects and expansion projects are subject to risks associated with new mine development, which may result in delays in the start-up of mining operations, delays in existing operations and unanticipated costs" and "– If the Company experiences mining accidents or other adverse conditions, the Company's mining operations may yield less gold than indicated by its estimated gold production" below). Gold production at the Meadowbank mine is also subject to risks relating to operating in a remote location (see "– The Company may experience difficulties operating its Meadowbank mine and developing the Meliadine project as a result of their remote location" below). The Company also anticipates using revenue generated by its operations at the Meadowbank and Pinos Altos mines to finance a substantial portion of its capital expenditures in 2013, including projects at the Kittila and Pinos Altos mines, the Goldex and La India mine projects and the Meliadine project.

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

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

The Company's Meadowbank mine is located in the Kivalliq District of Nunavut in northern Canada, approximately 70 kilometres north of Baker Lake. The closest major city is Winnipeg, Manitoba, approximately 1,500 kilometres to the south. The Company constructed a 110-kilometre all-weather road from Baker Lake, which provides summer shipping access via Hudson Bay to the Meadowbank mine. However, the Company's operations are constrained by the remoteness of the mine, particularly as the port of Baker Lake is only accessible approximately 2.5 months per year. Most of the materials that the Company requires for the operation of the Meadowbank mine must be transported through the port of

Baker Lake during this shipping season, which may be further truncated due to weather conditions. If the Company is unable to acquire and transport necessary supplies during this time, this may result in a slowdown or stoppage of operations at the Meadowbank mine. Furthermore, if major equipment fails, items necessary to replace or repair such equipment may have to be shipped through Baker Lake during this window. Failure to have available the necessary materials required for operations or to repair or replace malfunctioning equipment at the Meadowbank mine may require the slowdown or stoppage of operations. For example, the March 2011 fire at the kitchen facilities of the Meadowbank mine required operations to be reduced at the mine, which resulted in lower gold production at the mine.

The Company's Meliadine project, 290 kilometres southeast of the Meadowbank mine, is also located in the Kivalliq District of Nunavut, approximately 25 kilometres northwest of the hamlet of Rankin Inlet on the west coast of Hudson Bay. Access to the property is by helicopter from Rankin Inlet year-round and by tracked vehicles overland on a winter road from approximately late December to mid-May. The Company's operations at the Meliadine project may be constrained by its remoteness and, if the all-weather access road from Rankin Inlet is not completed as scheduled in mid-2013, lack of access if the winter road season is shortened by permit delays or unusually warm weather. Most of the materials that the Company requires to operate the advanced exploration program, and may require if it determines to build a mine in the future, must be transported through the port of Rankin Inlet during its six-week shipping season. If the Company cannot identify and procure suitable equipment and materials within a timeframe that permits transporting them to the project within this shipping season, it could result in delays and/or cost increases in the exploration program and, if the Company determines to build a mine, any construction or development on the property.

The remoteness of the Meadowbank mine and Meliadine project also necessitates the use of fly-in/fly-out camps for the accommodation of site employees and contractors, which may have an impact on the Company's ability to attract and retain qualified mining, exploration and construction personnel. If the Company is unable to attract and retain sufficient personnel or sub-contractors on a timely basis, the Company's operations at the Meadowbank mine and future development plans at the Meliadine project may be adversely affected.

The Company's recently opened mines, mine construction projects and expansion projects are subject to risks associated with new mine development, which may result in delays in the start-up of mining operations, delays in existing operations and unanticipated costs.

The Company's production forecasts are based on full production being achieved at all of its mines, and the Company's ability to achieve and maintain full production rates at these mines is subject to a number of risks and uncertainties. Production from these mines in 2013 may be lower than anticipated if the anticipated full production rate cannot be achieved.

The LaRonde mine extension, which commenced operation in late 2011, is one of the deepest operations in the Western Hemisphere with an expected maximum depth of 3,110 metres. The operations of the LaRonde mine extension rely on new infrastructure for hauling ore and materials to the surface, including a winze (or internal shaft) and a series of ramps linking mining deposits to the Penna Shaft that services current operations at the LaRonde mine. The depth of the operations poses significant challenges to the Company, such as geomechanical risks and ventilation and air conditioning requirements, which may result in difficulties and delays in achieving gold production objectives. In 2012, challenges associated with excess heat and congestion at the lower parts of the mine delayed the ramp up of production. While production in 2012 was not reduced, the Company has reduced its annual production forecast for 2013 and 2014 due to these factors.

The further development of the Kittila and Pinos Altos mines, as well as the development of the M Zone and E Zone at the Goldex mine project, requires the construction and operation of new underground mining operations and the development of the La India mine project requires the construction and operation of open pit and heap leach facilities. The construction and operation of underground mining facilities and open pit and heap leach facilities are subject to a number of risks, including unforeseen geological formations, implementation of new mining processes, delays in obtaining required construction, environmental or operating permits and engineering and mine design adjustments.

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

The Company's gold production may fall below estimated levels as a result of mining accidents such as cave-ins, rock falls, rock bursts, pit wall failures, fires or flooding or as a result of other operational problems such as a failure of a production hoist, autoclave, filter press or semi-autogenous grinding ("SAG") mill. In addition, production may be reduced if, during the course of mining or processing, unfavourable weather conditions, ground conditions or seismic activity are encountered, ore grades are lower than expected, the physical or metallurgical characteristics of the ore are less amenable

than expected to mining or treatment, dilution increases, electrical power is interrupted or heap leach processing results in containment discharge. While the Company met production forecasts in 2012, it failed to do so in seven of the last ten years primarily due to: a rock fall, production drilling challenges and lower than planned mill recoveries in 2003; higher than expected dilution in 2004; increased stress levels in a sill pillar requiring the temporary closure of production sublevels in 2005; and delays in the commissioning of the Goldex production hoist and the Kittila autoclave in 2008. In 2009, gold production was 492,972 ounces, down from the Company's initial estimate of 590,000 ounces, primarily as a result of delays in the commencement of production at the Kittila mine due to issues with the autoclave, at the Pinos Altos mine resulting from problems in commissioning the dry tailings filter presses and at the Lapa mine resulting from dilution issues. In 2010, gold production of 987,607 ounces was below the initial anticipated range of 1 million to 1.1 million ounces primarily as a result of lower throughput at the Meadowbank mine mill due to a bottleneck in the crushing circuit and because there were autoclave issues at the Kittila mine in the first half of the year. In 2011, gold production of 985,460 ounces was below the initial anticipated range of 1.13 to 1.23 million ounces primarily as a result of suspension of mining operations at the Goldex mine due to geotechnical concerns with the rock above the mining horizon, a fire in the Meadowbank mine kitchen complex which negatively impacted production and lower than expected grades at the Meadowbank and LaRonde mines. Although gold production of 1,043,811 ounces exceeded estimates in 2012, a movement of leached ore from the upper lifts of the Creston Mascota deposit at Pinos Altos phase one leach pad on September 30, 2012 suggested that the integrity of the phase one leach pad liner had been compromised and caused the suspension of active leaching in the fourth quarter. Occurrences of this nature and other accidents, adverse conditions or operational problems in future years may result in the Company's failure to achieve current or future production estimates.

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

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

Total cash costs per ounce is not a recognized measure under US GAAP, and this data may not be comparable to data presented by other gold producers. Management uses this generally accepted industry measure in evaluating operating performance and believes it to be a realistic indicator of such performance and useful in allowing year over year comparisons. The data also reflects the Company's ability to generate cash flow and operating income at various gold prices. This additional information should be considered together with other data prepared in accordance with US GAAP and is not necessarily indicative of operating costs or cash flow measures prepared in accordance with US GAAP. See "Item 5 Operating and Financial Review and Prospects – Results of Operations – Production Costs" for reconciliation of total cash costs per ounce and minesite costs per tonne to their closest US GAAP measure and "Note to Investors Concerning Certain Measures of Performance" for a discussion of non-US GAAP measures.

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

The Company's operations include a mine in Finland and a mine and a mine development project in northern Mexico. These operations are subject to various levels of political, economic and other risks and uncertainties that are different from those encountered at the Company's Canadian properties. These risks and uncertainties vary from country to country and may include: extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; corruption; restrictions on foreign exchange and repatriation; hostage taking; and changing political conditions and currency controls. In addition, the Company must comply with multiple and potentially conflicting regulations in Canada, the United States, Europe 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 exist 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 operations in Canada. There can be no assurance that difficulties associated with the Company's foreign operations can be successfully managed.

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

The figures for mineral reserves and mineral resources published by the Company are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery of gold will be realized. Mineral reserve and resource estimates are based on gold recoveries in small scale laboratory tests and may not be indicative of the mineralization in the entire orebody and the Company may not be able to achieve similar results in larger scale tests under on-site conditions or during production. The ore grade actually recovered by the Company may differ from the estimated grades of the mineral reserves and mineral resources. The estimates of mineral reserves and mineral resources have been determined based on assumed metal prices, foreign exchange rates and operating costs. For example, the Company has estimated proven and probable mineral reserves on its LaRonde, Kittila, Pinos Altos, La India and Tarachi properties based on, among other things, a $1,345 per ounce gold price. Estimated proven and probable reserves on the Company's other properties (including the Creston Mascota deposit at Pinos Altos) are based on a $1,490 per ounce gold price. Monthly average gold prices have been above $1,345 per ounce since November 2010; however, prior to that time, monthly average gold prices were below $1,345 per ounce. Prolonged declines in the market price of gold (or applicable byproduct metal prices) may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and could materially reduce the Company's mineral reserves. Should such reductions occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Market price fluctuations of gold (or applicable byproduct metal prices), as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral resources. Short-term factors relating to the mineral reserve, such as the need for orderly development of orebodies or the processing of new or different grades, may impair the profitability of a mine in any particular accounting period.

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

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

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

procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential unknown liabilities associated with acquired assets and businesses. In addition, the Company may need additional capital to finance an acquisition. Debt financing related to any acquisition may expose the Company to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. The Company is permitted under the terms of its unsecured revolving bank credit facility and its guaranteed senior unsecured notes referred to under "Item 10 Additional Information – Material Contracts" to incur additional unsecured indebtedness, provided that it maintains certain financial ratios and meets financial condition covenants and, in the case of the bank credit facility, that it complies with certain covenants. These covenants include that no event of default under the bank credit facility has occurred and is continuing, or would occur as a result of the incurrence or assumption of such indebtedness, the terms of such indebtedness are no more onerous to the Company than those under the bank credit facility and such indebtedness does not require principal payments until at least 12 months following the then existing maturity date of the bank credit facility. There can be no assurance that the Company would be successful in overcoming these or any other problems encountered in connection with such acquisitions.

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

The Company's operating results and cash flow are significantly affected by changes in the U.S. dollar/Canadian dollar exchange rate. All of the Company's revenues are earned in U.S. dollars but the majority of its operating costs at the LaRonde, Lapa and Meadowbank mines, as well as the Goldex mine project and the Meliadine project, are incurred in Canadian dollars. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. From January 1, 2008 to January 1, 2013, the Noon Buying Rate fluctuated from a high of C$1.3000 per $1.00 to a low of C$0.9449 per $1.00. Historical fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations. Based on the Company's anticipated 2013 after-tax operating results, a 10% change in the U.S. dollar/Canadian dollar exchange rate from the 2012 market average exchange rate would affect net income by approximately $0.37 per share. To attempt to mitigate its foreign exchange risk and minimize the impact of exchange rate movements on operating results and cash flow, the Company has periodically used foreign currency options and forward foreign exchange contracts to purchase Canadian dollars; however, there can be no assurance that these strategies will be effective. See "Item 5 Operating and Financial Review and Prospects – Outlook – Gold Production Growth" for a description of the assumptions underlying the sensitivity and the strategies used to mitigate the effects of risks. In addition, the majority of the Company's operating costs at the Kittila mine are incurred in Euros and a significant portion of operating costs at the Pinos Altos mine and exploration and development costs at the La India mine project are incurred in Mexican pesos. Each of these currencies has fluctuated significantly against the U.S. dollar over the past several years. There can be no assurance that the Company's foreign exchange derivatives strategies will be successful or that foreign exchange fluctuations will not materially adversely affect the Company's financial performance and results of operations.

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

The Company's unsecured revolving bank credit facility limits, among other things, the Company's ability to permit the creation of certain liens, make investments other than investments in businesses related to mining or a business ancillary or complementary to mining, dispose of the Company's material assets or, in certain circumstances, pay dividends. In addition, the Company's guaranteed senior unsecured notes limit, among other things, the Company's ability to permit the creation of certain liens, carry on business unrelated to mining or dispose of the Company's material assets. The bank credit facility and the guaranteed senior unsecured notes also require the Company to maintain specified financial ratios and meet financial condition covenants. Events beyond the Company's control, including changes in general economic and business conditions, may affect the Company's ability to satisfy these covenants, which could result in a default under the bank credit facility or the guaranteed senior unsecured notes and, by extension, the Company's C$150 million uncommitted letter of credit facility. At March 11, 2013, there was approximately $1.1 million drawn under the bank credit facility (reflecting outstanding letters of credit) and approximately C$135 million drawn under the letter of credit facility. If an event of default under the unsecured revolving bank credit facility or the notes occurs, the Company would be unable to draw down further on the bank credit facility and the lenders could elect to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due and it could cause an event of default under the Company's guaranteed senior unsecured notes and the uncommitted letter of credit facility. An event of default under the unsecured revolving bank credit facility, the guaranteed senior unsecured notes or the uncommitted letter of

credit facility may also give rise to an event of default under other existing and future debt agreements and, in such event, the Company may not have sufficient funds to repay amounts owing under such agreements.

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

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

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

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

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

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

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

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

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

The sustaining capital required for operations (including potential expansions) and the development of the La India and Goldex mine projects and the Meliadine project and the exploration and development of the Company's properties, including continuing exploration and development projects in Quebec, Nunavut, Finland, Mexico and Nevada, will require substantial capital expenditures. The Company estimates that capital expenditures will be approximately $596 million in 2013. As at March 11, 2013, the Company had approximately $1.199 billion available to be borrowed under its bank credit facility. Based on current funding available to the Company and expected cash from operations, the Company believes it has sufficient funds available to fund its projected capital expenditures for all of its current properties. However, if cash from operations is lower than expected or capital costs at these mines or projects exceed current estimates, or if the Company incurs major unanticipated expenses related to exploration, development or maintenance of its properties, or if

advances from the bank credit facility are unavailable, the Company may be required to seek additional financing to maintain its capital expenditures at planned levels. In addition, the Company will have additional capital requirements to the extent that it decides to expand its present operations and exploration activities, construct additional mining and processing operations at any of its properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may arise. Additional financing may not be available when needed or, if available, the terms of such financing may not be favourable to the Company and, if raised by offering equity securities, or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders. Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties, which may have a material adverse effect on the Company's business, financial condition and results of operations.

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

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

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

The business of gold mining is generally subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected rock formations, changes in the regulatory environment, cave-ins, rock bursts, rock falls, pit wall failures and flooding and gold bullion losses. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. As well, such risks may arise with respect to the closure of mines and the management of closed mine sites and mine waste (whether the Company operated the mine site or acquired it after operations were conducted by others). The Company carries insurance to protect itself against certain risks of mining and processing in amounts that it considers to be adequate but which may not provide adequate coverage in certain unforeseen circumstances. The Company may also become subject to liability for pollution, cave-ins or other hazards against which it cannot insure or against which it has elected not to insure because of high premium costs or other reasons, or the Company may become subject to liabilities which exceed policy limits. In these circumstances, the Company may incur significant costs that could have a material adverse effect on its financial performance and results of operations.

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

The Company's mining and mineral processing operations, exploration activities and properties are subject to the laws and regulations of federal, provincial, state and local governments in the jurisdictions in which the Company operates. These laws and regulations are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal and tailings management, toxic substances, environmental protection, mine safety and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating, managing, closing, reclaiming and rehabilitating mines and other facilities and features. New laws or regulations, amendments to current laws and regulations governing operations and activities on mining properties or more stringent implementation or interpretation thereof could have a material adverse impact on the Company, cause a reduction in levels of production and delay or prevent the development of new mining properties.

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

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims on underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including land claims by indigenous groups, and title may be affected by, among other things, undetected defects. In addition, although the Company believes that it has sufficient surface rights for its operations, the Company may be unable to operate its properties as permitted or to enforce its rights in respect of its properties.

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

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

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

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

The Company monitors and reports annually its direct and indirect greenhouse gas emissions to the international Carbon Disclosure Project. In Quebec, the Company uses primarily hydroelectric power and is not a large producer of greenhouse gases. As a result, Quebec's new regulatory requirements are not expected to have a material adverse impact on the Company. The Meadowbank mine produces approximately 167,926 tonnes of greenhouse gases per year from the production of electricity from diesel power generation, which is approximately 51% of the Company's total direct greenhouse gas emissions. It is expected that the La India mine project and any mining operation at the Meliadine project will also use diesel power generation. The Pinos Altos mine purchases electricity that is largely fossil-fuel generated and is the Company's second highest greenhouse gas producer (at 102,341 tonnes of greenhouse gases per year), which is approximately 31% of the Company's total direct greenhouse gas emissions. None of the Company's other operations emit more than 30,000 tonnes of greenhouse gases per year. While these new regulatory requirements in respect of greenhouse gases and the additional costs required to comply are not expected to have a material adverse effect on the Company's operations, such requirements may not be adopted as currently proposed, may be amended or may have unexpected effects on the Company and, as a result, may have a material adverse effect on the Company's financial performance and its results of operations.

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

The Company is subject to litigation arising in the normal course of business and may be involved in disputes with other parties in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure to comply with disclosure obligations. Currently, the Company is the subject of certain class action lawsuits relating to the Company's disclosure prior to the suspension of mining operations at the Goldex mine in October 2011, as described in note 21 to the financial statements contained in Item 18 hereof. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, either by judicial determination or settlement, it may have a material adverse impact on the Company's financial performance, cash flow and results of operations.

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

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

While the Company's general policy is not to sell forward its future gold production, the Company has used, and may in the future use, various byproduct metal derivative strategies, such as selling future contracts or purchasing put options. The Company continually evaluates the potential short and long term benefits of engaging in such derivative strategies based upon current market conditions. No assurance can be given, however, that the use of byproduct metal derivative strategies will benefit the Company in the future. There is a possibility that the Company could lock in forward deliveries at prices lower than the market price at the time of delivery. In addition, the Company could fail to produce enough byproduct metals to offset its forward delivery obligations, requiring the Company to purchase the metal in the spot market at higher prices to fulfill its delivery obligations or, for cash settled contracts, make cash payments to counterparties in excess of byproduct revenue. If the Company is locked into a lower than market price forward contract or has to buy additional quantities at higher prices, its net income could be adversely affected. None of the current contracts establishing the byproduct metal derivatives positions qualify for hedge accounting treatment under US GAAP and therefore any year-end mark-to-market adjustments are recognized in the "Gain on derivative financial instruments" line item of the consolidated statements of income and comprehensive income. See "Item 11 Quantitative and Qualitative Disclosures about Market Risk – Derivatives".

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

The trading price of the Company's common shares and, consequently, the trading price of securities convertible into or exchangeable for the Company's common shares, have 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 and securities convertible into or exchangeable for common shares may increase or decrease in response to a number of events and factors, including:

- changes in the market price of gold or other byproduct metals the Company sells;
- events affecting economic circumstances in Canada, the United States and elsewhere;
- trends in the mining industry and the markets in which the Company operates;
- changes in financial estimates and recommendations by securities analysts;
- acquisitions and financings;
- quarterly variations in operating results;
- the operating and share price performance of other companies that investors may deem comparable; and
- purchases or sales of large blocks of the Company's common shares or securities convertible into or exchangeable for the Company's common shares.

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

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

Section 404 of the Sarbanes-Oxley Act of 2002 ("SOX") requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. Section 404 of SOX also requires an annual attestation report by the Company's independent auditors addressing the effectiveness of the Company's internal control over financial reporting. The Company has completed its Section 404 assessment and received the auditors' attestation as of December 31, 2012.

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 and securities convertible or exchangeable for common shares. 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.

Potential unenforceability of civil liabilities and judgments.

The Company is incorporated under the laws of the Province of Ontario, Canada. A majority of the Company's directors and officers as well as the experts named in this Form 20-F are residents of Canada. Also, almost all of the Company's assets and the assets of these persons are located outside of the United States. As a result, it may be difficult for shareholders to initiate a lawsuit within the United States against these non-U.S. residents, or to enforce U.S. judgments against the Company or these persons. The Company's Canadian counsel has advised the Company that a monetary judgment of a U.S. court predicated solely upon the civil liability provisions of U.S. federal securities laws would likely be enforceable in Canada if the U.S. court in which the judgment was obtained had a basis for jurisdiction in the matter that was recognized by a Canadian court for such purposes. The Company cannot provide assurance that this will be the case. It is less certain that an action could be brought in Canada in the first instance on the basis of liability predicated solely upon the civil liability provisions of U.S. federal securities laws.

ITEM 4 INFORMATION ON THE COMPANY

History and Development of the Company

The Company is an established Canadian-based international gold producer with mining operations in northwestern Quebec, northern Mexico, northern Finland and Nunavut and exploration activities in Canada, Europe, Latin America and the United States. The Company's operating history includes over three decades of continuous gold production primarily from underground operations. Since its formation on June 1, 1972, the Company has produced approximately 8.5 million ounces of gold. For definitions of certain technical terms used in the following discussion, see "– Glossary of Selected Mining Terms" in this Item 4.

The Company's strategy is to focus on the continued exploration, development and expansion of its properties, all of which are located in politically stable jurisdictions. The Company has spent approximately $3.1 billion on mine development over the last five years. Through this development program, the Company transformed itself from a regionally focused, single mine producer to a multi-mine international gold producer with five operating, 100% owned mines, two mine development projects and one advanced exploration project.

Since 1988, the LaRonde mine, in the Abitibi region of Quebec, has been the Company's flagship operation, producing approximately 4.5 million ounces of gold as well as valuable byproducts. The Lapa mine, one of the Company's highest grade metals mines, is 11 kilometres east of the LaRonde mine, and the Goldex mine project, where mine construction on the M and E zones was approved in July 2012, is 60 kilometres east of the LaRonde mine. The synergies between these sites contribute to the Company's efforts to reduce costs. The Kittila mine in Finland, which achieved commercial production in May 2009, has a long reserve life and has significant production expansion potential. In February 2012, the Board approved expansion of mining operations at the Kittila mine to a capacity of 3,750 tonnes per day. The Pinos Altos mine, in Mexico, achieved commercial production in November 2009 and also has significant production expansion potential. The Company's fifth mine, Meadowbank, in Nunavut, achieved commercial production in March 2010 and is expected to produce the most gold (approximately 360,000 ounces) in 2013. In September 2012, the Company began the development and construction at the La India mine project in Mexico. The La India mine project and the Goldex mine project are both expected to achieve commercial production in the second quarter of 2014. In addition, the Company plans to pursue opportunities for growth in gold production and gold reserves through the prudent acquisition or development of exploration properties, development properties, producing properties and other mining businesses in the Americas and Europe.

In 2012, the Company produced 1,043,811 ounces of gold at total cash costs per ounce of $640 net of revenues from byproduct metals. For 2013, the Company expects to produce between 970,000 and 1,010,000 ounces of gold at a total cash cost per ounce of gold produced of between $700 and $750 net of byproduct revenue. These expected higher total cash costs compared to 2012 reflect the high proportion of production coming from the Meadowbank mine, which is expected to have higher total cash costs per ounce compared to the Company's average; higher costs associated with the transition to underground mining operations at the Pinos Altos mine and the Kittila mine; and increased production from the Company's mines that do not contain byproduct metals, revenue from which reduces total cash costs per ounce. In addition, the higher total cash costs per ounce also reflect the strength of the Canadian dollar against the U.S. dollar and continued escalations in labour, shipping and transportation costs. See "Note to Investors Concerning Certain Measures of Performance" for a discussion of the use of the non-US GAAP measure total cash costs per ounce. 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.

The Company expects its all-in sustaining costs for 2013 to be approximately $1,075 per ounce of gold. The Company calculates all-in sustaining costs as the aggregate of total cash costs (net of byproduct credits), sustaining capital expense, corporate, general and administrative expense (net of stock option expense) and exploration expenses divided by the number of ounces produced. All-in sustaining costs is a non-US GAAP measure and is used to show the full cost of gold production from current operations. The Company's methodology for calculating all-in sustaining costs may not be similar to the methodology used by other producers that disclose all-in sustaining costs. The Company may change the methodology it uses to calculate all-in sustaining costs in the future, including in response to the adoption of formal industry guidance regarding this measure by the World Gold Council.

The Company operates through four segments: Canada, Europe, Latin America and Exploration.

The Canadian Segment is comprised of the Company's operations in the Province of Quebec and the Nunavut Territory. The Company's Quebec properties include the LaRonde mine, the Lapa mine and the Goldex mine project, each of which is held directly by the Company. In 2012, the Quebec properties accounted for approximately 25% of the Company's gold production, comprised of approximately 15% from the LaRonde mine and approximately 10% from the Lapa mine. In 2013, the Company anticipates that its Quebec properties will account for approximately 28% of the Company's gold production, of which 18% and 10% of the Company's gold production will come from the LaRonde mine and the Lapa mine, respectively.

The Company's Nunavut properties are comprised of the Meadowbank mine and the Meliadine project, which are both held directly by the Company. In 2012, the Meadowbank mine accounted for approximately 35% of the Company's gold production and the Company anticipates that in 2013 the Meadowbank mine will account for approximately 36% of the Company's gold production.

The Company's operations in the European Segment are conducted through its indirect subsidiary, Agnico Eagle Finland Oy, which owns the Kittila mine in Finland. In 2012, the Kittila mine accounted for approximately 17% of the Company's gold production and the Company anticipates that in 2013 the Kittila mine will again account for approximately 17% of the Company's gold production.

In the Latin American Region, the Company's mining at Pinos Altos are conducted through its subsidiary, Agnico Eagle Mexico S.A. de C.V., which owns the Pinos Altos mine, including the Creston Mascota deposit. The La India mine project is owned by the Company's indirect subsidiary, Agnico Sonora, S.A. de C.V. In 2012, the Pinos Altos mine accounted for approximately 23% of the Company's gold production and the Company anticipates that in 2013 the Pinos Altos mine will account for approximately 19% of the Company's gold production.

The Exploration Segment includes the Company's grassroots exploration operations in the United States, the European exploration office, the Canadian exploration offices and the Latin American exploration office. In addition, the Company has international exploration offices in Reno, Nevada and Vancouver, Canada.

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

	Date of Acquisition [1]	Date of Commencement of Construction	Date of achieving Commercial Production
LaRonde mine	1992	1985	1988
Lapa mine	June 2003	June 2006	May 2009
Goldex mine project [2]	December 1993	July 2012	Second quarter of 2014 [3]
Kittila mine	November 2005	June 2006	May 2009
Pinos Altos mine	March 2006	August 2007	November 2009
La India mine project	November 2011	September 2012	Second quarter of 2014 [3]
Meadowbank mine	April 2007	Pre-April 2007	March 2010

Notes:

(1) Date when 100% ownership was acquired.

(2) Construction of infrastructure for purposes of mining the Goldex Extraction Zone (the "GEZ") commenced in July 2005 and the GEZ achieved commercial production in August 2008. Mining operations on the GEZ were suspended in October 2011. In July 2012, the Company approved the construction of a mine at the M and E Zones at Goldex.

(3) Anticipated.

The Company's exploration program focuses primarily on the identification of new mineral reserves and resources and new development opportunities in proven gold producing regions. Current exploration activities are concentrated in Canada, Europe, Latin America and the United States. Several projects were evaluated during 2012 in other countries where the Company believes the potential for gold occurrences is excellent and which the Company believes to be politically stable and supportive of the mining industry. The Company currently manages 69 properties in Canada, four properties in the United States, three groups of properties in Finland, one property in Sweden, eight projects in Mexico and one project in Argentina. Exploration activities are managed from offices in Val d'Or, Quebec; Reno, Nevada; Chihuahua, Mexico; Kittila, Finland; and Vancouver, British Columbia.

In addition, the Company continuously evaluates opportunities to make strategic acquisitions. Five of the Company's new mines or projects came from relatively recent acquisitions.

In the second quarter of 2004, the Company acquired an approximate 14% ownership interest in Riddarhyttan Resources AB ("Riddarhyttan"), a Swedish precious and base metals exploration and development company that was at the time listed on the Stockholm Stock Exchange. In November 2005, the Company completed a tender offer (the "Riddarhyttan Offer") for all of the issued and outstanding shares of Riddarhyttan that it did not own. The Company issued 10,023,882 of its common shares and paid and committed an aggregate of $5.1 million cash as consideration to Riddarhyttan shareholders in connection with the Riddarhyttan Offer. On March 28, 2011, Riddarhyttan was merged with Agnico-Eagle AB and Agnico-Eagle Sweden AB, with Agnico-Eagle Sweden AB as the continuing entity. The Kittila mine, located approximately 900 kilometres north of Helsinki near the town of Kittila in Finnish Lapland, is currently 100% owned by Agnico-Eagle Finland Oy, which is owned by Agnico-Eagle Sweden AB.

In the first quarter of 2005, the Company entered into an exploration and option agreement with Industrias Penoles S.A. de C.V. ("Penoles") to acquire the Pinos Altos property in northern Mexico. The Pinos Altos property is comprised of approximately 11,000 hectares in the Sierra Madre gold belt, approximately 225 kilometres west of the city of Chihuahua in the state of Chihuahua in northern Mexico. In February 2006, the Company exercised its option and acquired the Pinos Altos property on March 15, 2006. Under the terms of the exploration and option agreement, the purchase price of $66.8 million was comprised of $32.5 million in cash and 2,063,635 common shares of the Company.

In February 2007, the Company made an exchange offer for all of the outstanding shares of Cumberland Resources Ltd. ("Cumberland") not already owned by the Company. At the time, Cumberland was a pre-production development stage company listed on the Toronto Stock Exchange (the "TSX") and American Stock Exchange whose primary asset was the Meadowbank property. In May 2007, the Company acquired approximately 92% of the issued and outstanding shares of Cumberland that it did not previously own and, in July 2007, the Company completed the acquisition of all Cumberland

shares by way of a compulsory acquisition. The Company issued 13,768,510 of its common shares and paid $9.6 million in cash as consideration to Cumberland shareholders in connection with its acquisition of Cumberland.

In April 2010, the Company entered into an agreement in principle with Comaplex Minerals Corp. ("Comaplex") to acquire all of the outstanding shares of Comaplex that it did not already own. At the time, Comaplex owned a 100% interest in the advanced stage Meliadine gold property, which is located approximately 300 kilometres southeast of the Company's Meadowbank mine. In May 2010, the Company executed the definitive agreements with Comaplex and, in July 2010 by plan of arrangement, the Company acquired 100% of the Meliadine gold property through the acquisition of Comaplex, which was renamed Meliadine Holdings Inc. ("Meliadine"). Pursuant to the arrangement, Comaplex transferred to Geomark Exploration Ltd. all assets and related liabilities other than those relating to the Meliadine project. In connection with the arrangement, the Company issued 10,210,848 of its common shares as consideration to Comaplex shareholders.

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

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

Budgeted 2013 capital expenditures of $596 million include $91 million at the LaRonde mine, $19 million at the Lapa mine, $63 million at the Goldex mine project (M and E Zones), $75 million at the Pinos Altos mine, $92 million at the La India mine project, $73 million at the Kittila mine, $79 million at the Meadowbank mine and $38 million in capitalized exploration expenditures. In addition, the Company plans exploration expenditures on grassroots exploration projects of approximately $71 million, including $17 million at the Meliadine project. Depending on the success of the exploration programs at these and other properties, the Company may be required to make additional capital expenditures for exploration, development and pre-production.

The funds for the expenditures set out above are expected to be from internally generated cash flow from operations, from the Company's existing cash balances and from drawdowns of the Company's bank credit facility. Please see "Item 10 Additional Information – Material Contracts – Credit Agreement". Based on current funding available to the Company and expected cash flows from operations, the Company believes it has sufficient funds available to fund its 2013 projected capital expenditures for all its properties.

Capital expenditures by the Company in 2011 and 2010 were $482.8 million and $512 million, respectively. The 2011 capital expenditures included $90.7 million at the LaRonde mine (which included approximately $49.5 million of expenditures relating to the LaRonde mine extension), $18.4 million at the Lapa mine, $42.2 million at Goldex, $86.5 million at the Kittila mine, $40.0 million at the Pinos Altos mine (which included approximately $7.6 million related to the Creston Mascota deposit), $116.9 million at the Meadowbank mine and $73.9 million at the Meliadine project. In addition, the Company spent $11.0 on mine site exploration and $64.7 million on exploration activities at the Company's grassroots exploration properties. The 2010 capital expenditures included $97 million at the LaRonde mine (which included approximately $62 million of expenditures relating to the LaRonde mine extension), $33 million at the Lapa mine, $24 million at Goldex, $72 million at the Kittila mine, $104 million at the Pinos Altos mine (which included approximately $43 million related to the Creston Mascota deposit), $174 million at the Meadowbank mine and $8 million at the Meliadine project and other minor properties. In addition, the Company spent $35 million on exploration activities at the Company's grassroots exploration properties.

The Company was formed by articles of amalgamation under the laws of the Province of Ontario on June 1, 1972, as a result of the amalgamation of Agnico Mines Limited ("Agnico Mines") and Eagle Gold Mines Limited ("Eagle"). Agnico

Mines was incorporated under the laws of the Province of Ontario on January 21, 1953 under the name "Cobalt Consolidated Mining Corporation Limited". Eagle was incorporated under the laws of the Province of Ontario on August 14, 1945.

On December 19, 1989, Agnico-Eagle acquired the remaining 57% interest in Dumagami Mines Limited not already owned by it, as a consequence of the amalgamation of Dumagami Mines Limited with a wholly-owned subsidiary of Agnico-Eagle, to continue as one company under the name Dumagami Mines Inc. ("Dumagami"). On December 29, 1992, Dumagami transferred all of its property and assets, including the LaRonde mine, to Agnico-Eagle and was subsequently dissolved.

On December 8, 1993, the Company acquired the remaining 46.3% interest in Goldex Mines Limited not already owned by it, as a consequence of the amalgamation of Goldex Mines Limited with a wholly-owned subsidiary of the Company, to continue as one company under the name Goldex Mines Limited. On January 1, 1996, the Company amalgamated with two wholly-owned subsidiaries, including Goldex Mines Limited.

In October 2001, under a plan of arrangement, the Company amalgamated with an associated corporation, Mentor Exploration and Development Co., Limited ("Mentor"). In connection with the arrangement, the Company issued 369,348 of its common shares in consideration for the acquisition of all of the issued and outstanding shares of Mentor that it did not already own.

On August 1, 2007, the Company, Agnico-Eagle Acquisition Corporation, Cumberland and a wholly-owned subsidiary of Cumberland, Meadowbank Mining Corporation, amalgamated under the laws of the Province of Ontario and continued under the name of Agnico-Eagle Mines Limited.

On January 1, 2011, the Company and 1816276 Ontario Inc. (the successor corporation to Meliadine, which in turn was the successor corporation to Comaplex) amalgamated under the laws of the Province of Ontario and continued under the name of Agnico-Eagle Mines Limited.

On January 1, 2013, the Company and its wholly-owned subsidiary, 1886120 Ontario Inc. (the successor corporation to 9237-4925 Québec Inc.), amalgamated under the laws of the Province of Ontario and continued under the name of Agnico-Eagle Mines Limited.

The Company's executive and registered office is located at Suite 400, 145 King Street East, Toronto, Ontario, Canada M5C 2Y7; telephone number (416) 947-1212; website: http://www.agnico-eagle.com. The information contained on the website is not part of this Form 20-F. The Company's principal place of business in the United States is located at 1675 E. Prater Way, Suite 102, Sparks, Nevada 89434.

Business Overview

The Company believes that it has a number of key operating strengths that provide distinct competitive advantages.

Growth Profile. The Company has a proven track record of increasing production capacity through a combination of acquisitions, operational improvements, expansions and development. The suspension of mining operations at the Goldex mine in October 2011 had a negative impact on the growth profile, however, the Company anticipates production of between 970,000 and 1,010,000 ounces of gold in 2013 and growth in 2014 with the expected commencement of production at the La India and Goldex mine projects. Over the last five years, the Company has spent over $2.7 billion on the development of five new mines and the significant extension of the LaRonde mine at depth. Future capital expenditures are expected to be primarily for incremental expansion projects and exploration and development of the La India and Goldex mine projects and the Meliadine project.

Operations in Politically Stable, Mining Friendly Regions. The Company and its predecessors have over three decades of continuous gold production experience and expertise in metals mining. The Company's operations and exploration and development projects are located in regions that the Company believes are supportive of the mining industry. The Company's LaRonde and Lapa mines and Goldex mine project are located in the Abitibi region of northwestern Quebec, one of North America's principal gold-producing regions. The Company's Kittila mine in northern Finland, Pinos Altos mine and La India mine project in northern Mexico and Meadowbank mine and Meliadine project in Nunavut are also located in regions which the Company believes are supportive of the mining industry.

Strong Operating Base. Through its acquisition, exploration and development program, the Company has been transformed from a regionally focused, single mine producer to a multi-mine international gold producer with five operating, 100% owned mines. The Company's operations at its existing mines provide a strong base for additional

mineral reserve and production development at these properties and for the development of its mines and growth projects in Nunavut, Finland, Mexico and the Abitibi region. The experience gained through building and operating the LaRonde mine has assisted with the Company's development of its other mine projects. In addition, the extensive infrastructure associated with the LaRonde mine supports the nearby Lapa mine and Goldex mine project. Experience gained at the Meadowbank mine in Nunavut is assisting with the Company's permitting and exploration work at the nearby Meliadine project. Similarly, experience building and operating the Pinos Altos mine in Chihuahua, Mexico has assisted the Company's efforts to develop the La India mine project 70 kilometres away in Sonora, Mexico.

Highly Experienced Management Team. The members of the Company's senior management team have an average of over 22 years of experience in the mining industry. Management's significant experience has underpinned the Company's historical growth and provides a solid base upon which to expand the Company's operations.

Based on these strengths, the Company's corporate strategy is to grow production and reserves in mining-friendly regions.

Optimize and Further Expand Operations. The Company continues to focus its resources and efforts on the exploration and development of its properties in Quebec, Nunavut, Finland and Mexico with a view to increasing annual gold production and gold mineral reserves.

Leverage Mining Experience. The Company believes it can benefit not only from the existing infrastructure at its mines but also from the geological knowledge that it has gained in mining and developing its properties. The Company's strategy is to capitalize on its mining expertise to exploit fully the potential of its properties.

Expand Gold Reserves. The Company is conducting drilling programs at all of its properties with a goal of further increasing its gold reserves. In 2012, on a contained gold ounces basis, the gold reserves of the Company were 18.68 million ounces (184 million tonnes grading 3.16 grams of gold per tonne), essentially unchanged from the 18.75 million ounces reported as at December 31, 2011.

Growth Through Primary Exploration and Acquisitions. The Company's growth strategy has been to pursue the expansion of its development base through the acquisition of additional properties in the Americas and Europe. Historically, the Company's producing properties have resulted from a combination of investments in advanced exploration companies and primary exploration activities. By investing in pre-development stage companies, the Company believes that it has been able to acquire control of projects at favourable prices and reasonable valuations.

Mining Legislation and Regulation

Canada

The mining industry in Canada operates under both federal and provincial or territorial legislation governing prospecting and the exploration, development, operation and decommissioning of mines and mineral processing facilities. Such legislation relates to the method of acquisition and ownership of mining rights, labour, occupational or worker health and safety standards, royalties, mining, exports, reclamation, closure and rehabilitation of mines and other matters. Laws and regulations regarding the decommissioning, reclamation and rehabilitation of mines may require approval by provincial or territorial authorities of reclamation plans, provision of financial guarantees and long-term management of closed mines and related waste and tailings. Obligations under mining legislation may arise with respect to proposed, operating and closed facilities (including those that the Company owns but never operated).

The mining industry in Canada is also subject to extensive laws and regulations at both the federal and provincial or territorial levels concerning the protection of the environment. The primary federal regulatory authorities with jurisdiction over the Company's mining operations in respect of environmental matters are the Department of Fisheries and Oceans (Canada) and Environment Canada. The construction, development and operation of a mine, mill or refinery requires compliance with applicable environmental laws and regulations and/or review processes, including obtaining land use permits, water permits, air emissions certifications, industrial depollution attestations, hazardous substances management and similar authorizations from various governmental agencies. Environmental laws and regulations impose high standards on the mining industry to reduce or eliminate the effects of waste generated by mining and processing operations and subsequently deposited on the ground or affecting the air or water.

Quebec

In Quebec, mining rights are governed by the *Mining Act* (Quebec) and, subject to limited exceptions, are owned by the province. A mining claim entitles its holder to explore for minerals on the subject land. It remains in force for a term of two

years from the date it is registered and may be renewed indefinitely subject to continued exploration works in relation thereto. In order to retain title to mining claims, in addition to paying a small bi-annual rental fee currently ranging from C$27.75 to C$126 per claim, depending on its location and area (as set by Quebec government regulations), exploration work (or an equivalent value cash payment) has to be completed in advance (either on the claim or on adjacent mining claims, concessions or leases) and filed with the Ministry of Natural Resources (Quebec) prior to the date of expiry of the claim. The amount of exploration work required bi-annually currently ranges from C$48 to C$3,600 per claim, depending on its location, area and period of validity (as set by Quebec government regulations). In 1966, the mining concession system set out for lands containing mineralized zones in the *Mining Act* (Quebec) was replaced by a system of mining leases, but the mining concessions sold prior to such replacement remain in force. A mining lease entitles its holder to mine and remove valuable mineral substances from the subject land, provided it pays the annual rent set by Quebec government regulations, which currently ranges from C$21.50 per hectare (on privately held land) to C$45 per hectare (on land owned by the province). Leases are granted initially for a term of 20 years and are renewable up to three times, each for a duration of ten years. After the third renewal, the Minister of Natural Resources (Quebec) may grant an extension thereof on the conditions, for the rental and for the term he or she determines.

In Quebec, the primary provincial regulatory authorities with jurisdiction over the Company's mining operations in respect of environmental matters are the Ministry of Sustainable Development, Environment, Wildlife and Parks (Quebec) and the Ministry of Natural Resources (Quebec).

Nunavut

Under the Nunavut Land Claims Agreement (the "Land Claims Agreement"), ownership of large tracts of land in Nunavut was granted to the Inuit. These Inuit-owned lands include areas with high mineral potential. Further, as a result of other rights granted to the Inuit under the Land Claims Agreement, Inuit organizations play an important role in the management of natural resources and the environment in Nunavut. These duties are shared among the federal and territorial governments and Inuit organizations. Under the Land Claims Agreement, the Inuit own surface rights to certain lands representing approximately 16% of Nunavut. For a portion of the Inuit-owned lands representing approximately 2% of Nunavut, the Inuit also own mineral (subsurface) rights in addition to the surface rights.

In Nunavut, the Crown's mineral rights are administered by the Aboriginal Affairs and Northern Development Canada in accordance with the *Northwest Territories and Nunavut Mining Regulations* (the "Territorial Mining Regulations") under the *Territorial Lands Act* (Canada). The Inuit mineral rights in subsurface Inuit-owned lands are owned and administered by Nunavut Tunngavik Incorporated ("Nunavut Tunngavik"), a corporation representing the Inuit people of Nunavut.

Future production from Nunavut Tunngavik-administered mineral claims is subject to production leases which include a 12% net profits interest royalty from which annual deductions are limited to 85% of gross revenue. Production from Crown mining leases is subject to a royalty of up to 14% of adjusted net profits, as defined in the Territorial Mining Regulations. Before the operation of a Major Development Project, as defined in the Land Claims Agreement, can begin, developers must also negotiate an Inuit Impact and Benefit Agreement ("IIBA") with the regional Inuit Association.

The Kivalliq Inuit Association ("KIA")is the Inuit organization that holds surface title to the Inuit-owned lands in the Kivalliq region and is responsible for administering surface rights on these lands on behalf of the Inuit of the region. In order to conduct exploration work on Inuit-owned lands, the Company is required to submit a project proposal or work plan. This proposal is subject to approval by the KIA for surface land tenure and to review by other boards established by the Land Claims Agreement to determine environmental effects and, if needed, to grant water rights. Federal and territorial government departments participate in the reviews conducted by these boards. For mine development, the Company requires a surface lease and water compensation agreement with the KIA and a licence under federal legislation for the use of water, including the deposit of waste.

During mine construction and operations, the Company is subject to additional Nunavut and federal government regulations related to environmental, safety, fire and other operational matters.

Finland

Mining legislation in Finland consists of the Mining Act, the Mining Decree, the Mining Safety Decree and the Mining Hoisting Equipment Decree. The new Mining Act was implemented on July 1, 2011 and replaced the previous Mining Act (503/1965) as a result of still on-going overall reform of mining legislation in Finland. Set out below is a general, brief overview of certain relevant aspects of Finnish mining legislation.

In Finland, subject to certain area restrictions, anyone has a right irrespective of land ownership to conduct survey work and make geological measurements and observations, with the right to take small samples from the soil provided that these measures do not cause other than only minor damage or inconvenience. However, before sampling, a notice must be given to the owner of the respective land.

A prospecting permit is required for more comprehensive survey work. The prospecting permit entitles its holder to conduct necessary research and exploration in a defined area in order to discover the quality and extent of a deposit and to build or move temporary facilities and machinery onto the prospecting area for such purposes. The prospecting permit does not grant a right to exploit a deposit, for which purpose a mining permit is required, but it does grant its holder a priority to receive the mining permit on the prospecting area.

A mining permit entitles its holder to exploit all minerals found on the mining area defined in the permit as well as all organic and non-organic surface material and the soil and bedrock, as considered necessary for the purposes of the mining work. In addition to the mining permit, a mining safety permit regarding safety measures of the contemplated mining operations is required in order to build and operate a mine.

Generally, the mining area must either be owned or leased by the permit holder. However, provided that the mining project is required by the public interest, the Council of State of Finland may in certain cases grant a mining area redemption permit, which entitles the holder to establish a mining area without the consent of the landowner if the mining operator and the landowner cannot come to a voluntary agreement regarding use of the land.

The Finnish Safety and Chemicals Agency is responsible for granting prospecting permits, mining permits and mining safety permits upon an application, provided that statutory requirements are fulfilled. Prospecting permits and mining permits are transferrable and eligible to be pledged as security under Finnish law.

Prospecting permits are issued for fixed periods of time (a maximum period of four years at a time, which can be extended for three-year periods, up to a maximum of 15 years). Mining permits are generally granted without an expiry date. However, the Safety and Chemicals Agency investigates grounds for the continued existence of the permit at least once every ten years. In some cases, depending on the prevailing circumstances and the deposit, mining permits may only be granted for a fixed period of time (to a maximum period of ten years at a time). Prospecting permits and mining permits may be cancelled if the holder of the permit does not perform mining operations in accordance with the terms of the permit or the permit holder violates rules of the Mining Act.

Without specific permission of the National Board of Patents and Registrations of Finland, a right to apply for and acquire a prospecting permit and/or mining permit is limited to Finnish corporations and individuals and foreign individuals and corporations domiciled in a state belonging to the European Economic Area.

In addition to compliance with mining legislation, all mining operations must be carried out in accordance with the permit terms and with laws and regulations concerning conservation and environmental protection issues. Under the Finnish Environmental Protection Act, mining activities require an environmental permit which may be issued either for a definite or indefinite period of time. The Environmental Protection Act is based on the principles of prevention and minimization of damages and hazards, the application of the best available technology, the application of the best environmental practice and the "polluter pays" principle.

The Act on Compensation for Environmental Damage includes provisions on the compensation for damage to a person or a property resulting from pollution of water, air, soil, noise, vibration, radiation, light, heat, smell or other similar nuisances, caused by an activity carried out at a fixed location. This act is based on the principle of strict liability.

In addition to the permits listed above, mining operators may require several other permits and may be subject to other obligations under Finnish legislation.

According to the Act on Environmental Impact Assessment Procedure, certain projects require compliance with an environmental impact assessment procedure. These include major projects with a considerable impact on the environment, such as the excavation, enrichment and handling of metals and other minerals in cases where the excavated material is estimated to exceed 550,000 tonnes annually or the operating area exceeds 25 hectares. An environmental permit authority may not give its approval to an activity covered by the scope of the Act on the Environmental Impact Assessment Procedure without having taken an environmental impact assessment report into consideration.

Mexico

Mining in Mexico is subject to the Mining Law, a federal law. Under the Mexican Constitution, all minerals belong to the Mexican Nation. Private parties may explore and extract minerals pursuant to mining concessions granted by the

executive branch of the Mexican government, which as a general rule, are granted to whoever first claims them. While the Mining Law touches briefly upon labour, occupational and worker health and safety standards, these are primarily dealt with by the Federal Labour Law. The Mining Law also briefly addresses environmental matters, which are primarily regulated by the General Law of Ecological Balance and Protection of the Environment, also of federal jurisdiction.

The primary agencies with jurisdiction over mining activities are the Ministry of the Economy, the Ministry of Labor and Social Welfare and the Ministry of the Environment and Natural Resources. The National Water Commission has jurisdiction regarding the granting of water rights and the Ministry of Defense with respect to the use of explosives.

Concessions are granted for 50 years, renewable once. The main obligations to keep concessions current are the semi-annual payment of mining duties (taxes), based on the surface area of the concession, and the performance of work in the areas covered by the concessions, which is evidenced by minimum expenditures or by the extraction of ore.

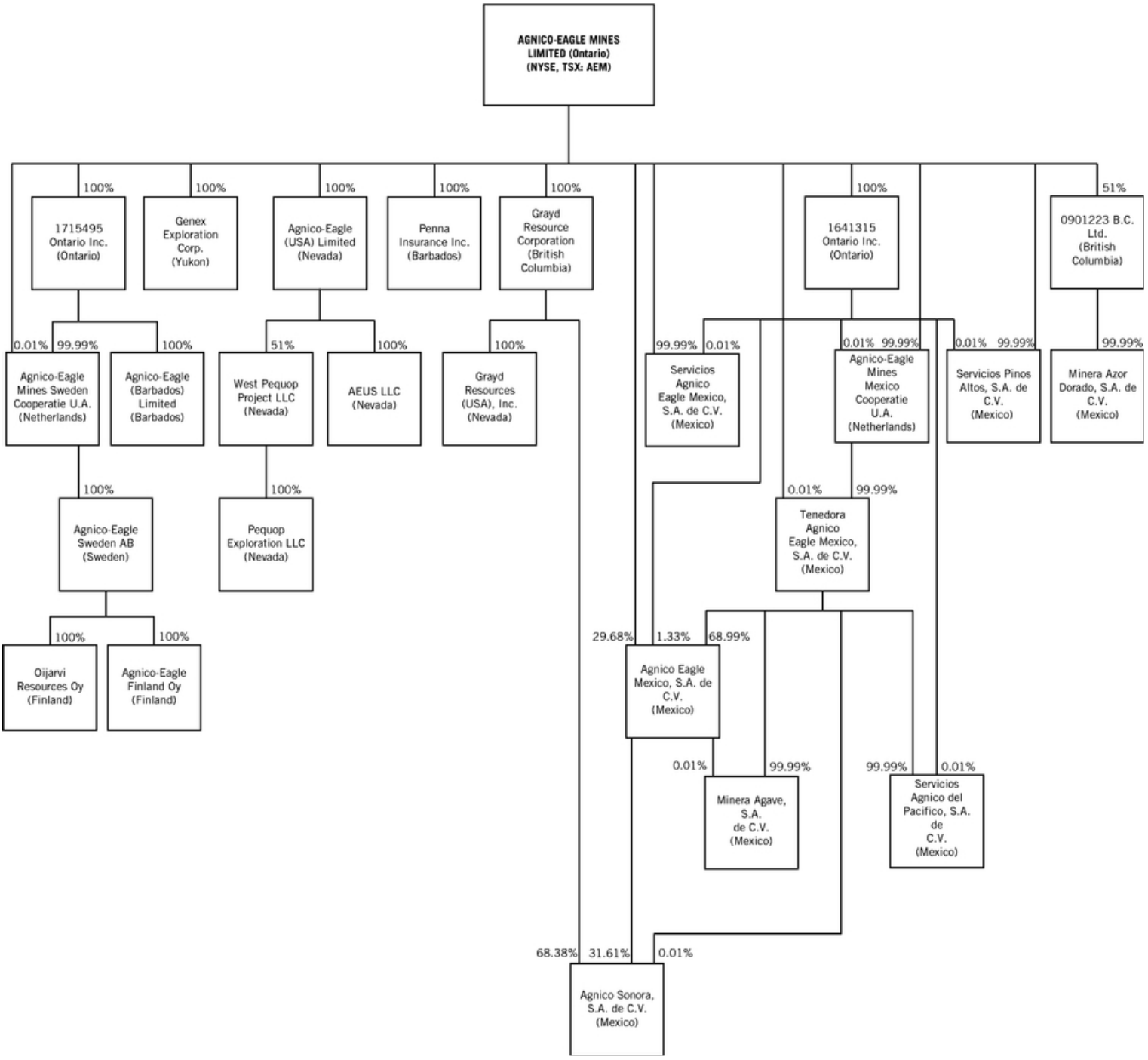
Organizational Structure

The Company's significant subsidiaries (all of which are directly or indirectly wholly-owned by the Company, unless otherwise indicated) are 1715495 Ontario Inc., Agnico-Eagle Mines Sweden Cooperatie U.A., which owns all of the shares of Agnico-Eagle Sweden AB, a Swedish company through which the Company holds its interest in Oijarvi Resources Oy, and Agnico-Eagle Finland Oy, a Finnish company through which the Kittila mine is held. The Company's interest in the Pinos Altos mine in northern Mexico is held through its direct and indirect wholly-owned Mexican subsidiary, Agnico Eagle Mexico, S.A. de C.V., which is, in turn, owned, in part, by 1641315 Ontario Inc. and Tenedora Agnico Eagle Mexico, S.A. de C.V., which is, in turn, owned in part by Agnico-Eagle Mines Mexico Cooperatie U.A. The Company's interest in the La India mine project in Mexico is held through its indirect wholly-owned Mexican subsidiary, Agnico Sonora, S.A. de C.V., which is owned by Grayd, Agnico Eagle Mexico, S.A. de C.V. and Tenedora Agnico Eagle Mexico, S.A. de C.V. The LaRonde mine, the Lapa mine, the Goldex mine project, the Meadowbank mine and the Meliadine project are owned directly by the Company.

Certain of the Company's subsidiaries, Servicios Agnico Eagle Mexico, S.A. de C.V., Servicios Pinos Altos, S.A. de C.V. and Minera Agave, S.A. de C.V., provide services in connection with the Company's operations in Mexico. The Company's operations in the United States are conducted through Agnico-Eagle (USA) Limited.

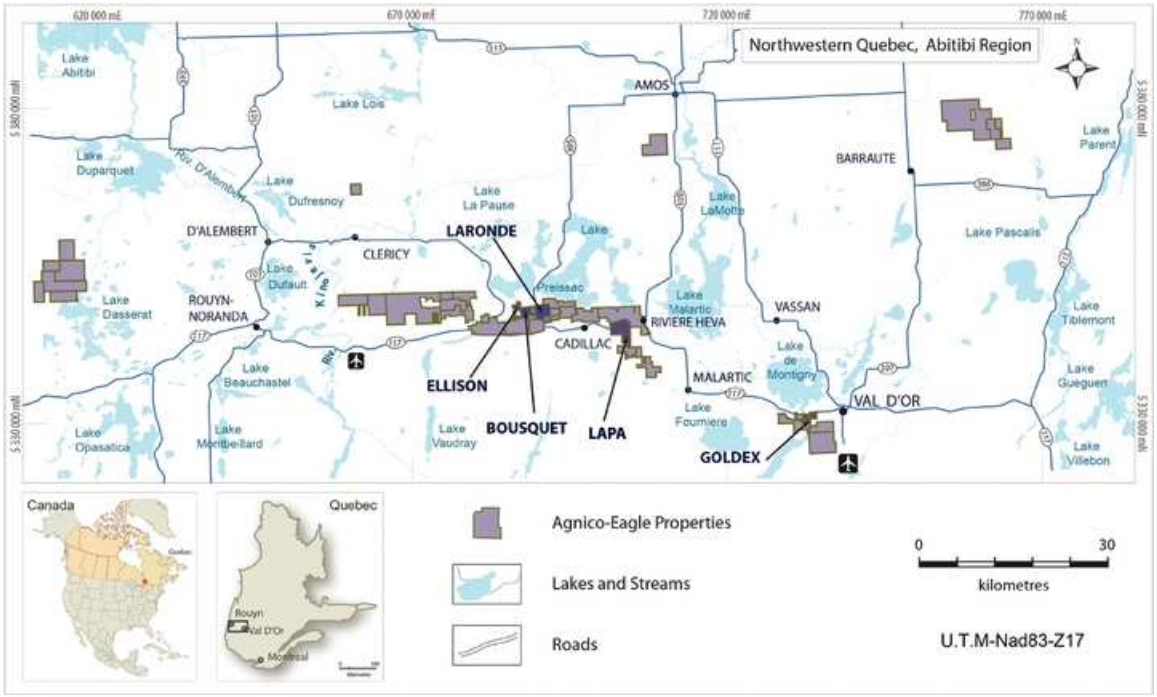
The following chart sets out the corporate structure of the Company, each of its significant subsidiaries and certain other subsidiaries, together with the jurisdiction of organization of the Company and each such subsidiary as at March 11, 2013:

Agnico-Eagle Organizational Chart



Property, Plant and Equipment

Location Map of the Abitibi Region (as at December 31, 2012)

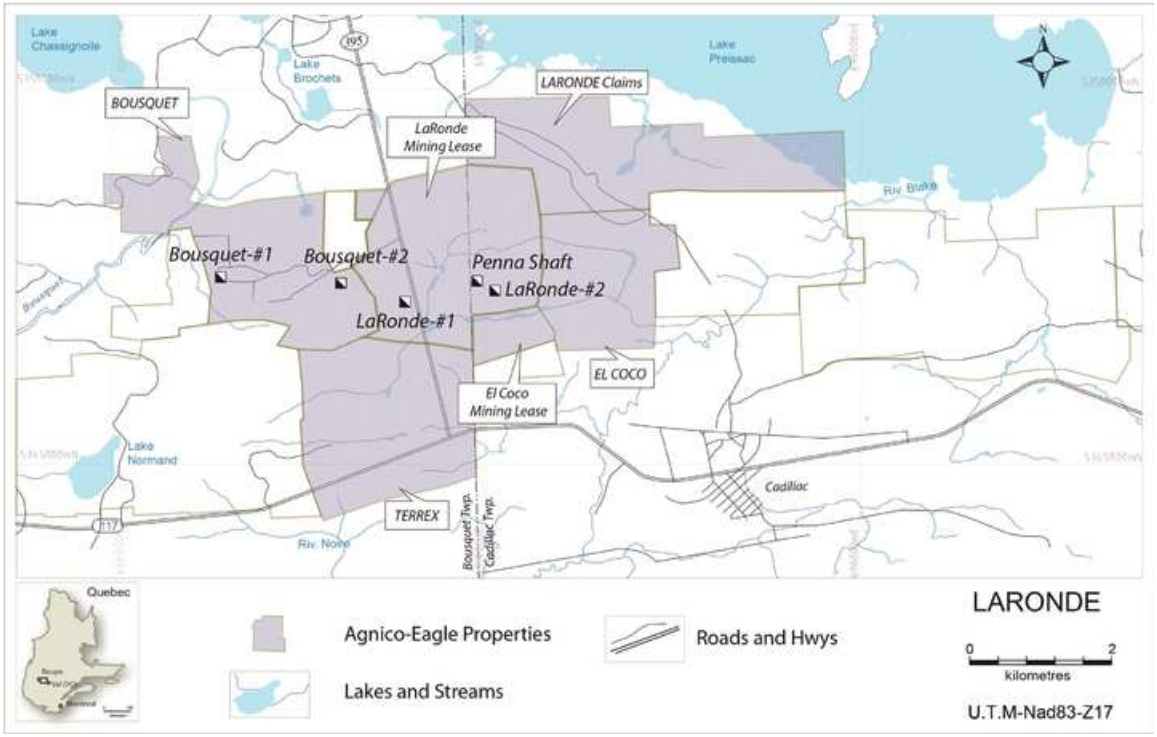


LaRonde Mine

The LaRonde mine is situated approximately halfway between the City of Rouyn-Noranda and the City of Val d'Or in northwestern Quebec (approximately 470 kilometres northwest of Montreal, Quebec) in the municipalities of Preissac and Cadillac. At December 31, 2012, the LaRonde mine was estimated to have proven and probable mineral reserves containing approximately 4.2 million ounces of gold comprised of 28.8 million tonnes of ore grading 4.54 grams per tonne. The Company's LaRonde mine consists of the LaRonde property and the adjacent El Coco and Terrex properties, each of which is 100% owned and operated by the Company. The LaRonde mine can be accessed either from Val d'Or in the east or from Rouyn-Noranda in the west, each of which are located approximately 60 kilometres from the LaRonde mine via Quebec provincial highway No. 117. The LaRonde mine is situated approximately two kilometres north of highway No. 117 on Quebec regional highway No. 395. The Company has access to the Canadian National Railway at Cadillac, Quebec, approximately six kilometres from the LaRonde mine.

The LaRonde mine operates under mining leases obtained from the Ministry of Natural Resources (Quebec) and under certificates of approval granted by the Ministry of Sustainable Development, Environment, Wildlife and Parks (Quebec). The LaRonde property consists of 36 contiguous mining claims and one provincial mining lease and covers in total 1,047.4 hectares. The El Coco property consists of 22 contiguous mining claims and one provincial mining lease and covers in total 356.7 hectares. The Terrex property consists of 21 mining claims that cover in total 424.4 hectares. The mining leases on the LaRonde and El Coco properties expire in 2018 and 2021, respectively, and are automatically renewable for three further ten-year terms upon payment of a small fee. The Company also has three surface rights leases that cover in total approximately 301.5 hectares that relate to the water pipeline right of way from Lake Preissac and the eastern extension of the LaRonde tailings pond #7 on the El Coco property. The surface rights leases are renewable annually.

Location Map of the LaRonde Mine (as at December 31, 2012)



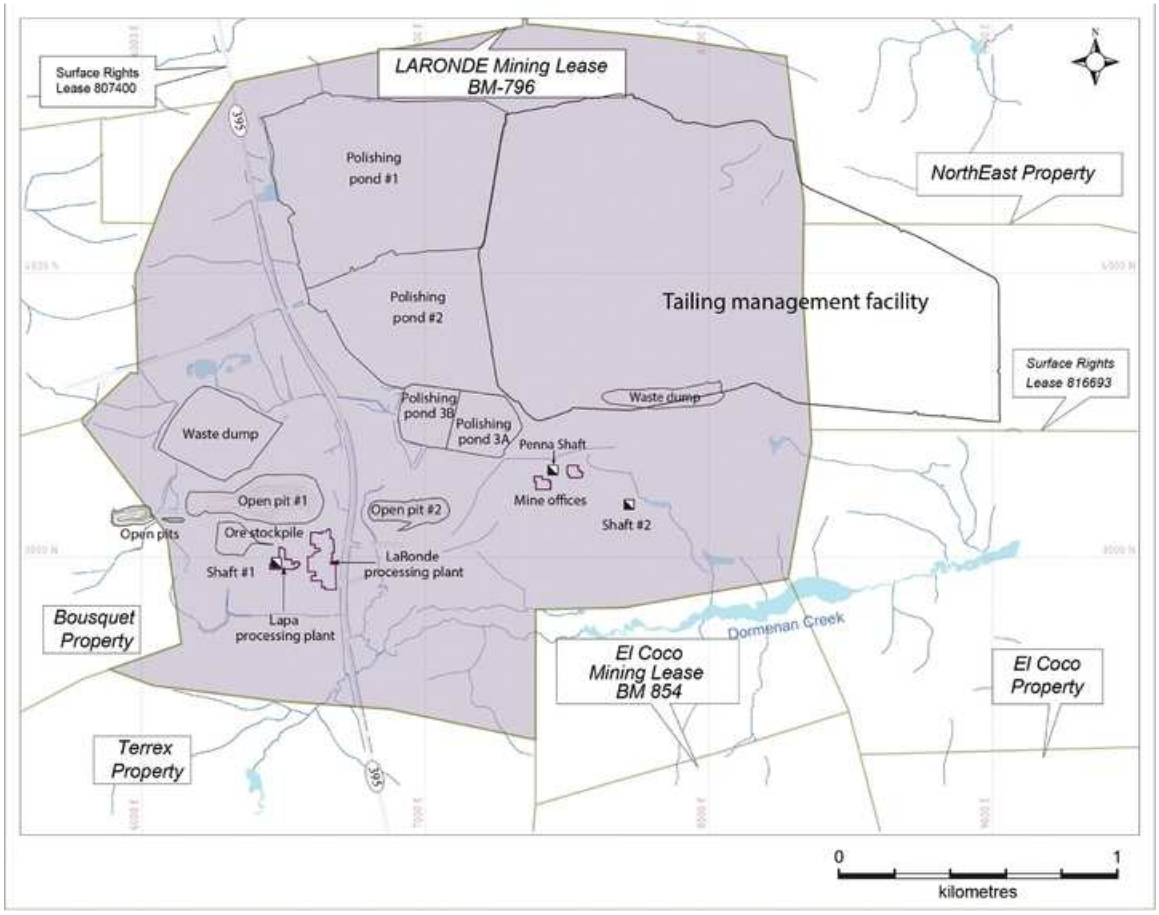
The LaRonde mine includes underground operations at the LaRonde and El Coco properties that can both be accessed from the Penna Shaft, a mill, a treatment plant, a secondary crusher building and related facilities. The El Coco property is subject to a 50% net profits interest in favour of Barrick Gold Corporation ("Barrick") on future production from approximately 500 metres east of the LaRonde property boundary. The remaining 1,500 metres is subject to a 4% net smelter return royalty. This area of the property is now substantially mined out and the Company has not paid royalties since 2004 and does not expect to pay royalties in 2013. In 2003, exploration work started to extend outside of the LaRonde property onto the Terrex property where a down-plunge extension of Zone 20 North was discovered. The Terrex property is subject to a 5% net profits royalty to Delfer Gold Mines Inc. and a 2% net smelter return royalty to Barrick. The Company does not expect to pay royalties in respect of this part of the property in 2013. In addition, the Company owns 100% of the Sphinx property immediately to the east of the El Coco property. In 2012, 18% of the ore processed from the LaRonde mine was extracted from the deeper portion of the LaRonde mine (that is, below Level 245), that was previously referred to as the "LaRonde extension". In 2013, the Company anticipates that approximately 49% of the ore processed will be from this deeper part of the mine.

In 2013, payable gold production at the LaRonde mine is expected to increase to approximately 177,000 ounces, and total cash costs per ounce are expected to be approximately $650. The Company expects future byproduct metal recoveries at the LaRonde mine to decline as production continues to shift towards deeper sections of the mine where gold grades are higher and byproduct metals are less prevalent. The decreased byproduct revenues will result in higher total cash costs per ounce attributable to ore extracted from these parts of the mine.

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

Mining and Milling Facilities

Surface Plan of the LaRonde Mine (as at December 31, 2012)



The LaRonde mine was originally developed utilizing a 1,207-metre shaft (Shaft #1) and an underground ramp access system. The ramp access system is available down to Level 25 of Shaft #1 and continues down to Level 248 at the Penna Shaft. The mineral reserve accessible from Shaft #1 was depleted in September 2000 and Shaft #1 is no longer in use. A second production shaft (Shaft #2), located approximately 1.2 kilometres to the east of Shaft #1, was completed in 1994 to a depth of 525 metres and was used to mine Zones 6 and 7. Both ore zones were depleted in March 2000 and the workings were allowed to flood up to Level 6 (approximately 280 metres). A third shaft (the Penna Shaft), located approximately 800 metres to the east of Shaft #1, was completed down to a depth of 2,250 metres in March 2000. The Penna Shaft is used to mine Zones 20 North, 20 South, 6 and 7. In 2009, as part of the LaRonde mine extension, the Company completed construction of an 823-metre internal shaft from Level 203 to access the ore below Level 245, approximately 2,858 metres below surface.

Production from the deeper levels of the LaRonde mine has only recently started to ramp-up to anticipated steady state levels and there is currently only limited development of stopes in this portion of the mine. As a result, logistical problems, such as congestion in the underground workings, occur from time to time. The Company anticipates that these issues, and any other issues that may prevent or delay extraction and transportation of ore from a particular stope, will be less prevalent when the stope development work at depth is more advanced.

Mining Methods

Four mining methods have historically been used at the LaRonde mine: open pit for the three surface deposits; sublevel retreat; longitudinal retreat with cemented rock backfill or paste backfill; and transverse open stoping with paste, cemented rock backfill or unconsolidated backfill. The primary source of ore at the LaRonde mine continues to be from

underground mining methods. During 2012, two of the traditional mining methods were used: longitudinal retreat with cemented rock backfill or paste backfill and transverse open stoping with cemented rock backfill, paste or unconsolidated backfill. In addition, to address concerns regarding the frequency and intensity of seismic events encountered at the lower levels of the LaRonde mine, a hybrid of these two methods was developed and used. In the underground mine, sublevels are driven at between 30-metre and 40-metre vertical intervals, depending on the depth. Stopes are undercut in 15-metre wide panels. In the longitudinal method, panels are mined in 15-metre sections and backfilled with 100% cemented rock backfill or paste backfill. The paste backfill plant was completed in 2000 and is located on the surface at the processing facility. In the transverse open stoping method, approximately 50% of the ore is mined in the first pass and filled with cemented rock backfill or paste backfill. On the second pass, the remainder of the ore is mined and filled with unconsolidated waste rock backfill or cemented paste backfill.

The throughput at LaRonde in 2012 averaged 6,444 tonnes per day compared with 6,593 tonnes per day in 2011. The reduced throughput in 2012 was largely due to the transition to the lower mine, where factors such as heat, congestion and lack of operational flexibility underground negatively impacted the mine's ability to provide the planned tonnage to the mill.

Surface Facilities

Surface facilities at the LaRonde mine include a processing plant with a daily capacity of 7,200 tonnes of ore, which has been expanded four times since 1987 from the original rate of 1,630 tonnes per day. Beginning in 1999, transition to the LaRonde mine's poly metallic massive sulphide orebody required several modifications to the processing plant, including a new coarse-ore handling system, new SAG and ball mills, the addition of a zinc flotation circuit and capacity increases to the existing copper flotation and precious metals circuits. In 2008, the installation of a limited copper/lead separation flotation circuit, following the copper flotation circuit, was completed. Also in 2008, a cyanidation plant began operation for the treatment of sulphide concentrate from the Goldex mine. A new carbon-in-leach ("CIL") circuit is under construction and is expected to replace the existing LaRonde precious metal Merrill-Crowe circuit at the end of March 2013. The LaRonde mine is also the site for the Lapa mine ore processing plant (1,500 tonnes per day) that was commissioned in the second quarter of 2009.

The ore requires a series of grinding, copper/lead flotation and separation, zinc flotation and zinc tails precious metals leaching circuits, followed by a counter-current decantation circuit and Merrill-Crowe precipitation (which will be replaced by CIL recovery in 2013). Paste backfill and cyanide destruction plants operate intermittently. The tailings area has a dedicated cyanide destruction and metals precipitation plant that water passes through prior to recirculating to the mill. A biological water treatment plant was commissioned in 2005 to address the build-up of thiocyanate in the tailings ponds at the LaRonde mine. This build-up was the result of the high sulphide content of the LaRonde mine ore and 90% recirculation of the process water. The plant uses bacteria to oxidize and destroy thiocyanate and removes phosphate from the water before it is released to the environment.

The Goldex concentrate circuit consists of pulp received from the Goldex mill via truck and subsequent leaching of the pulp with cyanide. The leached material was sent to the Lapa CIL circuit for gold recovery along with Lapa residual pulp until the Goldex circuit ceased to operate in November 2011 following the suspension of mining operations at Goldex on October 19, 2011. The Goldex circuit is currently on standby until mining begins at the M and E Zones of the Goldex mine, which is expected to occur in the second quarter of 2014. At that time, the Goldex circuit tails will be pumped directly into the new LaRonde CIL circuit, which has been designed to handle leached material from both LaRonde and Goldex. The Lapa CIL circuit is expected to be operating near full capacity by then with material from Lapa alone.

The Lapa process consists of a two-stage grinding circuit to reduce the granularity of the ore. A gravity recovery circuit that is incorporated into the grinding circuit recovers up to 45% of the available gold, depending on feed grades. The residual pulp is leached in a conventional CIL circuit to dissolve the balance of the precious metal. A carbon strip circuit recovers the gold from the carbon which is recycled to the leach circuit.

Annual production at the LaRonde mill in 2013 is expected to consist of approximately 2,097,023 ounces of silver, 5,223.4 tonnes of copper, up to 1,176.9 tonnes of lead and 27,298.6 tonnes of zinc. Gold recovery at the LaRonde mine is distributed approximately as follows: 57.7% in the copper concentrate, 6.56% in the lead concentrate, 4.25% in the zinc concentrate and 23.49% via leaching.

Mineral Recoveries

During 2012, gold and silver recovery averaged 89.8% and 85.49%, respectively. Zinc recovery averaged 87.13% with a concentrate quality of 56.13% zinc. Copper recovery averaged 78.56% with a concentrate quality of 11.88% copper.

Approximately 2.36 million tonnes of ore were processed averaging 6,780 tonnes of ore per day at 95.39% of available time.

The following table sets out the metal recoveries, concentrate grades and contained metals for the 2,358,499 tonnes of ore extracted by the Company at the LaRonde mine in 2012.

		Copper Concentrate (37,918 tonnes produced)		Zinc Concentrate (80,987 tonnes produced)		Lead Concentrate (2,096 tonnes produced)			
	Head Grades	Grade	Recovery	Grade	Recovery	Grade	Recovery	Overall Metal Recoveries	Payable Production
Gold	2.362 g/t	79.55 g/t	54.25%	3.25 g/t	4.81%	200.4 g/t	8.01%	89.8%	160,854 oz
Silver	40.156 g/t	1,073 g/t	43.26%	177 g/t	14.78%	3,529.9 g/t	7.22%	85.49%	2,243,674 oz
Copper	0.242%	11.88%	78.56%	0.42%	5.96%	4.56%	1.87%	81.03%	4,126 t
Lead	0.252%	7.14%	45.68%	0.53%	7.22%	53.47%	18%	64.38%	1,058 t
Zinc	2.203%	4.15%	2.98%	56.13%	87.13%	2.89%	0.2%	90.61%	38,637 t

Environmental Matters

Currently, water is treated at various facilities at the LaRonde mine operations. Water contained in the tailings to be used as underground backfill is treated to degrade cyanide using a sulphur dioxide and air process. The tailings entering the tailings pond are first decanted and the clear water subjected to natural cyanide degradation. This water is then transferred to sedimentation pond #1 to undergo a secondary treatment at a plant located between sedimentation ponds #1 and #2 that uses a peroxy-silicate process to destroy cyanide, lime and coagulant to precipitate metals. The tailings pond occupies an area of about 175 hectares. Waste rock that is not used underground for backfill is brought up to the surface and stored in close proximity to the tailings pond to be used to build coffer dams inside the pond. A waste rock pile containing approximately 500,000 tonnes of waste and occupying about nine hectares is located west of the mill.

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

Capital Expenditures

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

Capital expenditures at the LaRonde mine during 2012 were approximately $75.2 million, which included $22.2 million on sustaining capital expenditures and $41.9 million in deferred expense. Budgeted 2013 capital expenditures at the LaRonde mine are $91.3 million. Another $3 million will be added to the carbon-in-pulp ("CIP") project. Total capital expenditures for the LaRonde mine are estimated at $572.1 million from 2013 to 2026 (including the CIP project).

Development

In 2012, a total of 13,113 metres of lateral development was completed. Development was focused on stope preparation of mining blocks for production in 2012 and 2013, especially the preparation of the lower mine production horizon. A total of 5,213 metres of development work was completed for the LaRonde mine extension infrastructure and the ramp to access the LaRonde mine extension.

A total of 13,500 metres of lateral development is planned for 2013. The main focus of development work continues to be stope preparation and the LaRonde mine extension access toward the orebody.

Geology, Mineralization and Exploration

Geology

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

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

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

Mineralization

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

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

The Company believes that Zone 20 North is one of the largest gold-bearing massive sulphide mineralized zones in the world and one of the largest known mineralized zones in the Abitibi region of Ontario and Quebec. Zone 20 North contains the majority of the mineral reserves and resources at the LaRonde mine, including 27.3 million tonnes of proven and probable mineral reserves grading 4.64 grams of gold per tonne, representing 95% of the total proven and probable mineral reserves at the LaRonde mine, 4.4 million tonnes of indicated mineral resources grading 1.80 grams of gold per tonne, representing 82% of the total measured and indicated mineral resources at the LaRonde mine, and 9.6 million tonnes of inferred mineral resources grading 4.02 grams of gold per tonne, representing 81% of the total inferred mineral resources at LaRonde.

Zone 20 North extends between 700 metres below surface and at least 3,500 metres below surface, and remains open at depth. With increased access on the lower levels of the mine (*i.e.* , below Level 215 and from the internal shaft on levels 257 and 278), the transformation from a "zinc/silver" orebody to a "gold/copper" deposit is expected to continue during 2013.

Zone 20 North can be divided into an upper zinc/silver-enriched gold-poor zone and a lower gold/copper-enriched zone. The zinc zone has been traced over a vertical distance of 1,700 metres and a horizontal distance of 570 metres, with thicknesses approaching 40 metres. The gold zone has been traced over a vertical distance of over 2,200 metres and a

horizontal distance of 900 metres, with thicknesses varying from three to 40 metres. The zinc zone consists of massive zinc/silver mineralization containing 50% to 90% massive pyrite and 10% to 50% massive light brown sphalerite. The gold zone mineralization consists of 30% to 70% finely disseminated to massive pyrite containing 1% to 10% chalcopyrite veinlets, minor disseminated sphalerite and rare specks of visible gold. Gold grades are generally related to the chalcopyrite or copper content. At depth, the massive sulphide lens becomes richer in gold and copper. During 2012, 2.0 million tonnes of ore grading 2.34 grams of gold per tonne, 43.35 grams of silver per tonne, 2.41% zinc, 0.26% copper and 0.28% lead were mined from Zone 20 North.

Exploration

The combined tonnage of proven and probable mineral reserves at the LaRonde mine for year-end 2012 is 28.8 million tonnes, which represents a 13% decrease in the amount compared to year-end 2011 (33.2 million tonnes). This mineral reserve includes the replacement of 2.4 million tonnes of ore that were mined in 2012. The reduction in reserves is principally associated with ore mined during 2012 and application of a mining recovery factor of 95% on the remaining reserves.

Diamond drilling is used for exploration on the LaRonde property. In 2012, a total of 252 holes were drilled on the LaRonde property for a total length of 22,255 metres, compared to 181 holes for a total length of 16,190 metres in 2011. Of the drilling in 2012, 222 holes (10,194 metres) were for production stope delineation, 26 holes (8,261 metres) were for definition drilling and 4 holes (3,701 metres) were for exploration. In 2011, 165 holes (8,181 metres) were for production stope delineation, 12 holes (2,614 metres) were for definition drilling and 4 holes (5,396 metres) were for exploration. Expenditures on diamond drilling at the LaRonde mine during 2012 were approximately C$2.8 million, including C$1.6 million in definition and delineation drilling expenses charged to operating costs at the LaRonde mine. Expenditures on exploration in 2012 were C$1.2 million, and are expected to be C$2.1 million in 2013.

The main focus of the 2012 exploration program was continuing the investigation of Zone 20 North and Zone 6-7 horizons at depth. This program was conducted from the level 215 exploration drift, approximately 2,150 metres below the surface. The first deep hole of the program was completed at the end of 2009 to a final length of 1,852 metres. This hole intersected Zone 20 North at a depth of 3,520 metres below surface, which is approximately 410 metres below the current reserve envelope. The intersection returned 14.3 metres (true width) grading 3.03 grams of gold per tonne. In 2010, a second branch was drilled from this mother hole and returned 4.1 metres grading 1.77 grams of gold per tonne at a depth of 3,595 metres below surface. Another deep hole was initiated in 2011 and intersected Zone 6 horizon in 2012 at a depth of 3,551 meters below surface. The 22.8-meters-thick massive sulfide zone returned 1.58 grams of gold per tonne, 27.1 grams of silver per tonne, 0.38% copper and 3.36% zinc and has the same characteristics as other deposits on the property. A follow-up campaign is planned in 2013 from level 278 to determine the extent of the deposit.

In addition, definition and delineation drilling was undertaken in the 20 North and 20 South Zones to assist in finalizing mining stope designs. Zone 20 North was the main focus of the definition drilling in 2012. Infill drilling mainly from Level 272 to Level 245 confirmed the previous Zone 20 North reserves.

Bousquet and Ellison Properties

The Bousquet property is located immediately west of the LaRonde mine and consists of two mining leases covering 80.0 hectares and 31 claims covering 384.9 hectares. The property, along with various equipment and other mining properties, was acquired from Barrick in September 2003 for $2.9 million in cash, $1.1 million in common shares of the Company and the assumption of specific reclamation and other obligations related to the Bousquet property. The property is subject to a 2% net smelter return royalty interest in favour of Barrick.

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

In 2011, the Company completed a diamond drilling program consisting primarily of twinning and resampling historic holes to evaluate the production potential of an open pit at Bousquet Zone 5. This work led to a new resource estimate for Zone 5 and an internal feasibility study has been conducted for a resumption of production in the Zone 5 open pit. This study led to a positive scenario. For the whole Bousquet property, including Zone 5, as at December 31, 2012, probable reserves totalled approximately 0.2 million ounces of gold comprised of 2.9 million tonnes grading 1.88 grams per tonne, as well as indicated mineral resources totalling approximately 9.8 million tonnes grading 2.44 grams of gold per tonne and inferred mineral resources totalling approximately 4.6 million tonnes grading 4.04 grams of gold per tonne.

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

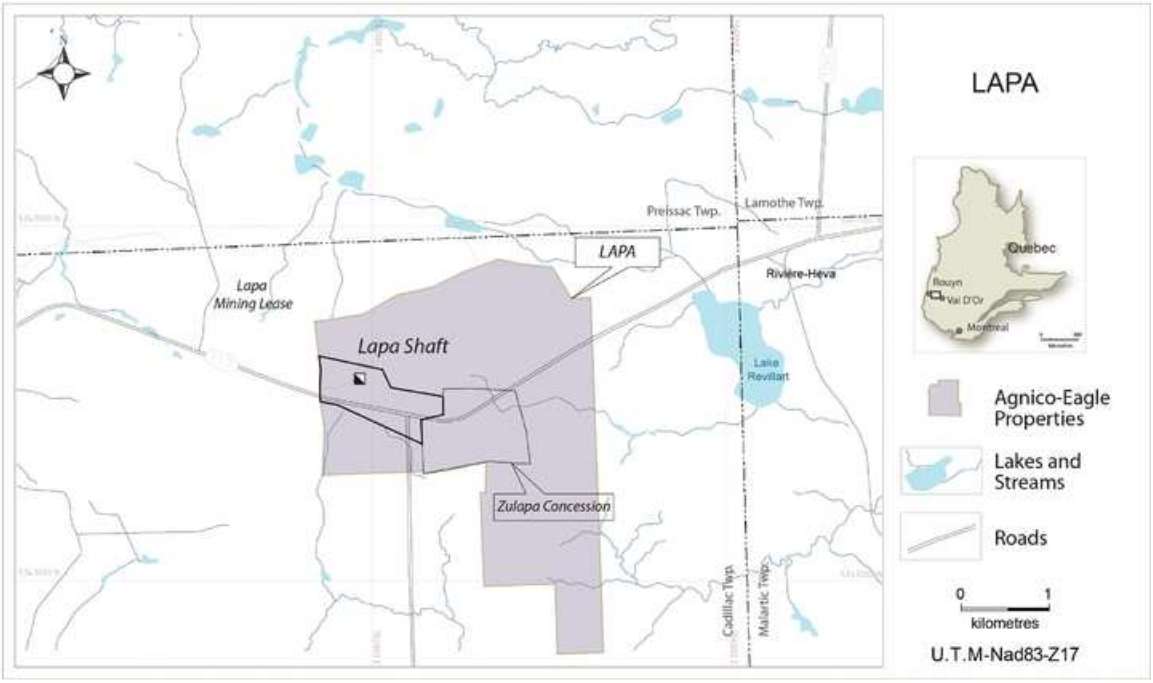
Expenditures on exploration in 2012 on both the Bousquet and Ellison properties were C$1.4 million, which includes the cost of drilling 3,850 metres in 12 holes drilled on the Ellison property. In 2013, the Company expects to spend C$0.84 million to continue the optimization of the internal feasibility study completed in March 2012 regarding the Bousquet property.

The December 31, 2012 indicated mineral resources at Ellison were approximately 0.4 million tonnes grading 5.68 grams of gold per tonne, and the inferred mineral resources were approximately 0.8 million tonnes grading 5.81 grams of gold per tonne.

Lapa Mine

The Lapa mine, which achieved commercial production in May 2009, is located approximately 11 kilometres east of the LaRonde mine near Cadillac, Quebec. At December 31, 2012, the Lapa mine was estimated to contain proven and probable mineral reserves of 0.4 million ounces of gold comprised of 2 million tonnes of ore grading 6.0 grams per tonne. The Lapa property is made up of the Tonawanda property, which consists of 44 contiguous mining claims and one provincial mining lease covering an aggregate of 702.4 hectares, and the Zulapa property, which consists of one mining concession of 93.5 hectares. The mining lease at Lapa expires in 2029.

Location Map of the Lapa Mine (as at December 31, 2012)



The Company's initial interest in the Lapa property was acquired in 2002 through an option agreement with Breakwater Resources Ltd. ("Breakwater"). The Company undertook an aggressive exploration program and discovered a new gold deposit almost 300 metres below the surface. In 2003, the Company purchased the Lapa property from Breakwater for a payment of $8.9 million, a 1% net smelter return royalty on the Tonawanda property and a 0.5% net smelter return royalty on the Zulapa property. In 2008, the Company purchased all royalties from Breakwater for C$6.35 million. In addition, both the Zulapa and Tonawanda properties are subject to a 5% net profit royalty payable to Alfer Inc. and René Amyot. In

2004, an additional claim of 9.4 hectares was added to the Company's holdings at the Lapa mine. In January 2009, a mining lease covering 66.8 hectares was entered into with the Ministry of Natural Resources (Quebec).

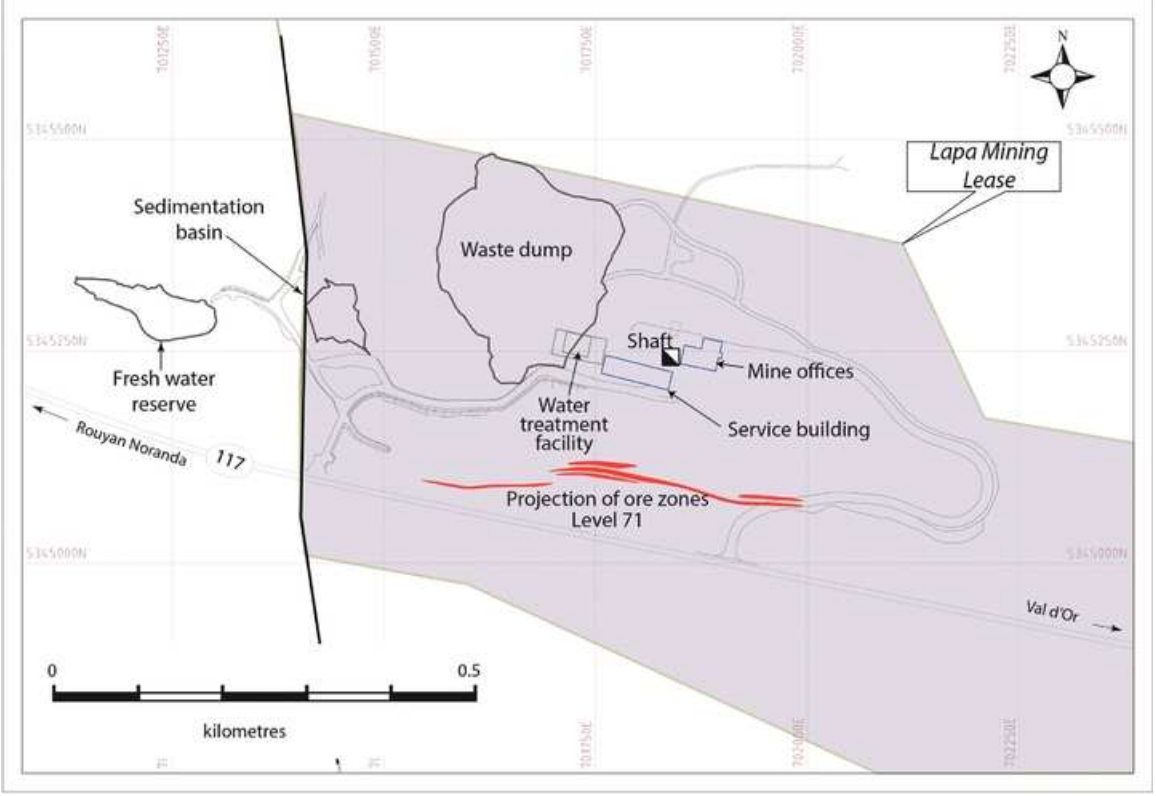
The Lapa mine is accessible by provincial highway. The elevation varies between approximately 320 and 390 metres above sea level. All of the Lapa mine's power requirements are supplied by Hydro-Quebec through connections to its main power transmission grid. All of the water required at the Lapa mine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

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

Gold production during 2013 at the Lapa mine is expected to be approximately 105,000 ounces at estimated total cash costs per ounce of approximately $787.

Mining and Milling Facilities

Surface Plan of the Lapa Mine (as at December 31, 2012)



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

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

Mining Methods

Two underground mining methods are used at the Lapa mine: longitudinal retreat with cemented backfill and locally transverse open stoping with cemented backfill. Sublevels are driven at 30-metre vertical intervals. Stopes are mined in 12-metre sections and backfilled with 100% cemented rock backfill. Excavated ore from the Lapa site is trucked via provincial highway to the processing facility at the LaRonde mine.

Surface Facilities

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

Ore at the Lapa mine is processed through grinding, gravity and leaching circuits. Dedicated milling facilities have been integrated into the mill at the LaRonde mine. Based on an average ore head grade of 6.49 grams per tonne, gold recovery averaged 79.7% in 2012. With an average production of 1,750 tonnes per day in 2012, the mine operated consistently above its design rate of 1,500 tonnes per day. Dilution averaged 64% in 2012, a significant improvement over previous years.

Mineral Recoveries

In 2012, the Lapa mine produced 640,832 tonnes of ore grading 6.49 grams of gold per tonne. The Lapa processing facility treated 640,305 tonnes of ore in 2012 (approximately 1,749 tonnes per day) and operated at about 97.6% of available time.

	Head Grades	Overall Metal Recoveries	Payable Production
Gold	6.49 g/t	79.7%	106,191 oz

Environmental Matters

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

In the second quarter of 2012, an Oberlin filtration unit located inside the treatment plant was installed to improve the removal of suspended solids from water coming from the underground operation. A sedimentation pond also is used to remove suspended solids from the dewatering water before either release to the environment or re-use in the underground mining operation. The waste rock pile naturally drains towards the sedimentation pond. A waste rock sampling program implemented during the shaft sinking phase verified the non-acid generating nature of the waste rock. Water effluent from the sedimentation pond is being sampled as required under the Quebec mining effluent guidelines, and is expected to comply with the water quality criteria. The mill residues will be sent to the LaRonde mine tailings area.

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

Capital Expenditures

The Company incurred approximately $18.4 million in capital expenditures at the Lapa mine in 2012 and expects to incur approximately $20.7 million in 2013, including $13.7 million for deferred development, $5.4 million for sustaining capital expenditures (including underground construction and mining equipment) and $1.6 million for exploration.

Development

In 2012, a total of 6,062 metres of lateral development was completed. Development focused on permanent drifts (ramps and haulage way), stope preparation of mining blocks set for production in 2012 and 2013 and access to the East zone and the Deep Project, which is expected to begin production in 2013.

Geology, Mineralization and Exploration

Geology

The Lapa property is located near the southern boundary of the Archean-age (2.7 billion years old) Abitibi Subprovince and the Pontiac Subprovince within the Superior Province of the Canadian Shield. The most important regional structure is the CLL fault zone marking the contact between the Abitibi and Pontiac Subprovinces. The fault zone passes through the property from west to east, and is marked by schists and mafic to ultramafic volcanic flows that comprise the Piché group (up to approximately 300 metres thick in the mine area). On the Lapa property, the fault zone displays a "Z" shaped fold to which all of the lithologic groups in the region conform. Feldspathic dykes cut the Piché group, especially near the fold. North of the Piché group lies the Cadillac sedimentary group, which consists of 500 metres or more of well-banded wacke, conglomerate and siltstone with intercalations of iron formation. The Pontiac group sedimentary rocks (up to approximately 300 metres thick) that occur to the south of the Piché group are similar to the Cadillac group but do not contain conglomerate nor iron formation.

Mineralization

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

The Lapa deposit is comprised of the Contact zone and five satellite zones. The Contact zone accounts for approximately 84% of the mineral reserves.

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

The Contact and satellite zones are tabular mineralized envelopes oriented east-west and dipping very steeply to the north, turning south at depth. The economic portion of the zone has been traced from depths of approximately 450 metres to more than 1,300 metres below surface. The Contact zone has an average strike length of 300 metres, varies in thickness from 2.8 to 5.0 metres and is open at depth. Locally some thicker intervals have been intersected but their continuity has not been demonstrated. The satellite zones have thicknesses similar to the Contact zone.

Exploration

Two exploration diamond drilling programs were completed at the Lapa mine during 2012. The first program concentrated on confirming and expanding the known orebodies (in the Contact zone and the other satellite zones) in the immediate

vicinity of the ore zones. The drilling tested the eastern area of the Contact zone reserve from 1,000 metres to 1,500 metres depth below the surface and 300 metres east of the Contact zone reserve limit. The 2013 program will focus on expanding mineral resources in this area. Additional drilling was done below Level 128 (the deepest producing level) targeting the Zulapa corridor, which returned good results and allowed for the identification of new resources. Further drilling will be need to be completed in 2013 to evaluate the economics of this area. The second program was executed from the exploration track drift on Level 101 (one kilometre deep) toward the east and from the newly excavated west exploration track drift on Level 101. This program will continue through 2013.

Overall, there was a reduction of approximately 106,000 ounces of gold in reserves at Lapa in 2012 after mining 129,000 ounces of gold. The net reduction of 106,000 ounces in reserves was a result of a lower-than-expected grade from 2012 delineation diamond drilling and a decrease in the mining recovery factor for sill stopes, offset by additional ounces from the deep drilling project. Mineral underground resources at the Lapa mine decreased by 0.8 million tonnes (decrease of 0.4 million tonnes due to conversion of resources below Level 128 of the Contact zone and below Level 113 of the East zone and decrease of 0.4 million tonnes following the re-interpretation of drilling results and new drilling on the Lapa property). Approximately 0.2 million tonnes of inferred resources were added following underground drilling in 2012. Drilling and evaluation will continue in 2013.

In 2012, a total of 234 holes were drilled on the Lapa property for a total length of 37,699 metres, compared to 231 holes for a total length of 28,386 metres in 2011. Of the drilling in 2012, 177 holes (11,026 metres) were for production stope delineation and 57 holes (26,672 metres) were for exploration. In 2011, 165 holes (9,257 metres) were for production stope delineation, and 66 holes (19,129 metres) were for exploration. Expenditure on diamond drilling at the Lapa mine during 2012 was approximately $3.0 million, including $0.9 million in definition and delineation drilling expenses charged to operating costs.

In 2013, the Company expects to spend $2.6 million on exploration. In 2013, 61% of the exploration drilling budget will be used for exploration in close vicinity of the mine infrastructure and 39% will be used for drilling from the exploration drift.

Goldex Mine Project

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

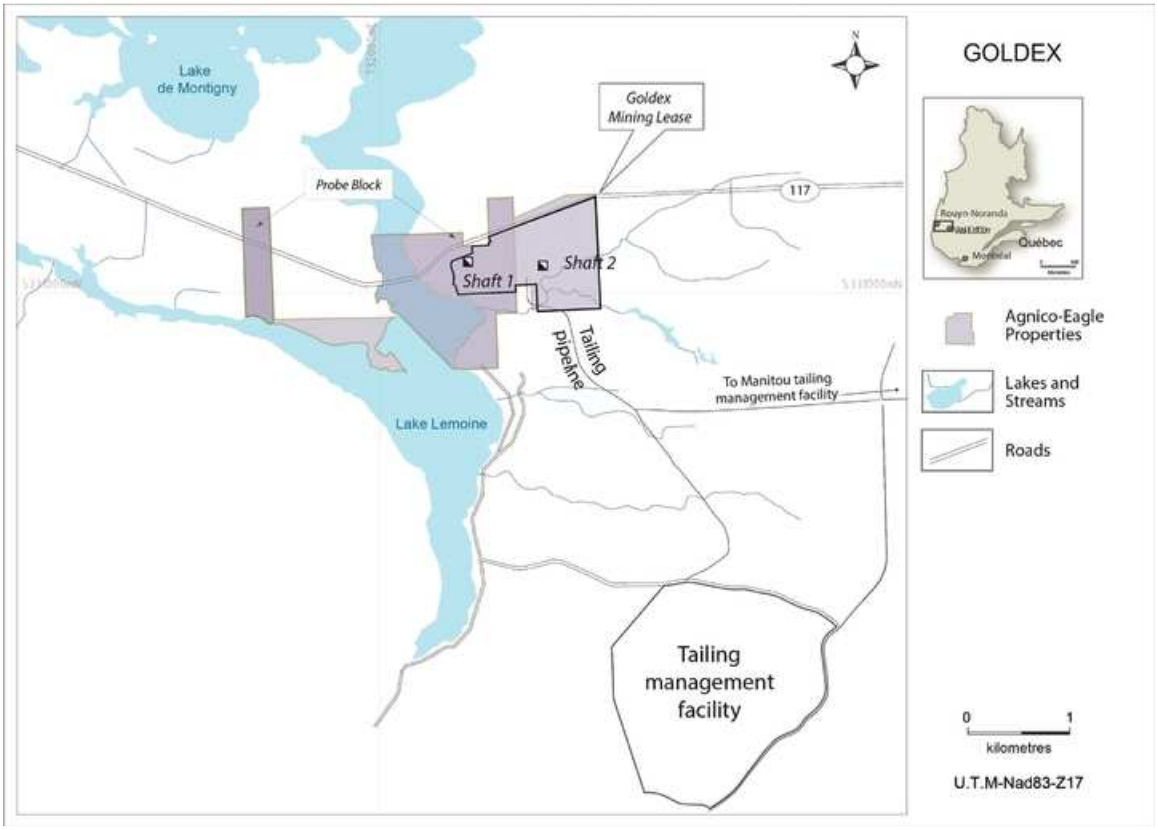
In July 2012, the Company approved the development of the M Zone and the E Zone of the Goldex mine project. Production from these zones is expected to be achieved in the second quarter of 2014. Development work is continuing underground on the M and E Zones. Exploration on the D Zone continues with underground diamond drilling.

The proven and probable reserves at Goldex as at December 31, 2012 were approximately 0.3 million ounces of gold comprised of 7.0 million tonnes grading 1.55 grams per tonne, all in the M and E Zones. Goldex also had measured and indicated resources of approximately 27.2 million tonnes grading 1.84 grams of gold per tonne, and inferred resources of approximately 34.6 million tonnes grading 1.52 grams of gold per tonne as at December 31, 2012.

The Company anticipates that 5,100 tonnes of ore per day grading 1.54 grams per tonne (diluted) will be extracted and processed at the M and E Zones over the next 3.5 years. Commercial production is expected to be achieved during the second quarter of 2014. Total cash costs per ounce are estimated to be approximately $900 in 2013 and estimated 2013 capital expenditures are $70 million.

Certain satellite zones at the Goldex mine project are under evaluation to give more flexibility for the operation and/or extend the mine life.

Location Map of the Goldex Mine Project (as at December 31, 2012)



The Goldex property is accessible by provincial highway. The elevation is approximately 302 metres above sea level. All of the Goldex mine project's power requirements were supplied by Hydro-Quebec through connections to its main power transmission grid. All of the water that was required at the Goldex mine project was sourced directly by aqueduct from the Thompson River immediately adjacent to the minesite or through recirculation of water from the surface pond and the auxiliary tailings pond. For additional information regarding the Abitibi region in which the Goldex mine project is located, including information with respect to climate, topography, vegetation and mining personnel, see "– Property, Plant and Equipment – LaRonde Mine".

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

The Goldex property includes underground operations that can be accessed from two shafts, a processing plant, an ore storage facility and other related facilities. The GEZ, which was the gold deposit on which the Company was focusing its production efforts before production was suspended indefinitely on October 19, 2011, was discovered in 1989 on the Goldex Extension block (although the Company believes a small portion of the GEZ occurs on the Probe block). On November 29, 2012, the Company purchased the 5% net smelter return royalty interest on the Probe block from Probe Mines Limited ("Probe") for cash consideration of C$14 million. Up to an additional C$4 million (in cash or common shares of the Company, at the election of Probe) may become payable by the Company to Probe if certain production

thresholds are achieved on the Probe block. In 2012, exploration and development work continued on the M Zone and the E Zone.

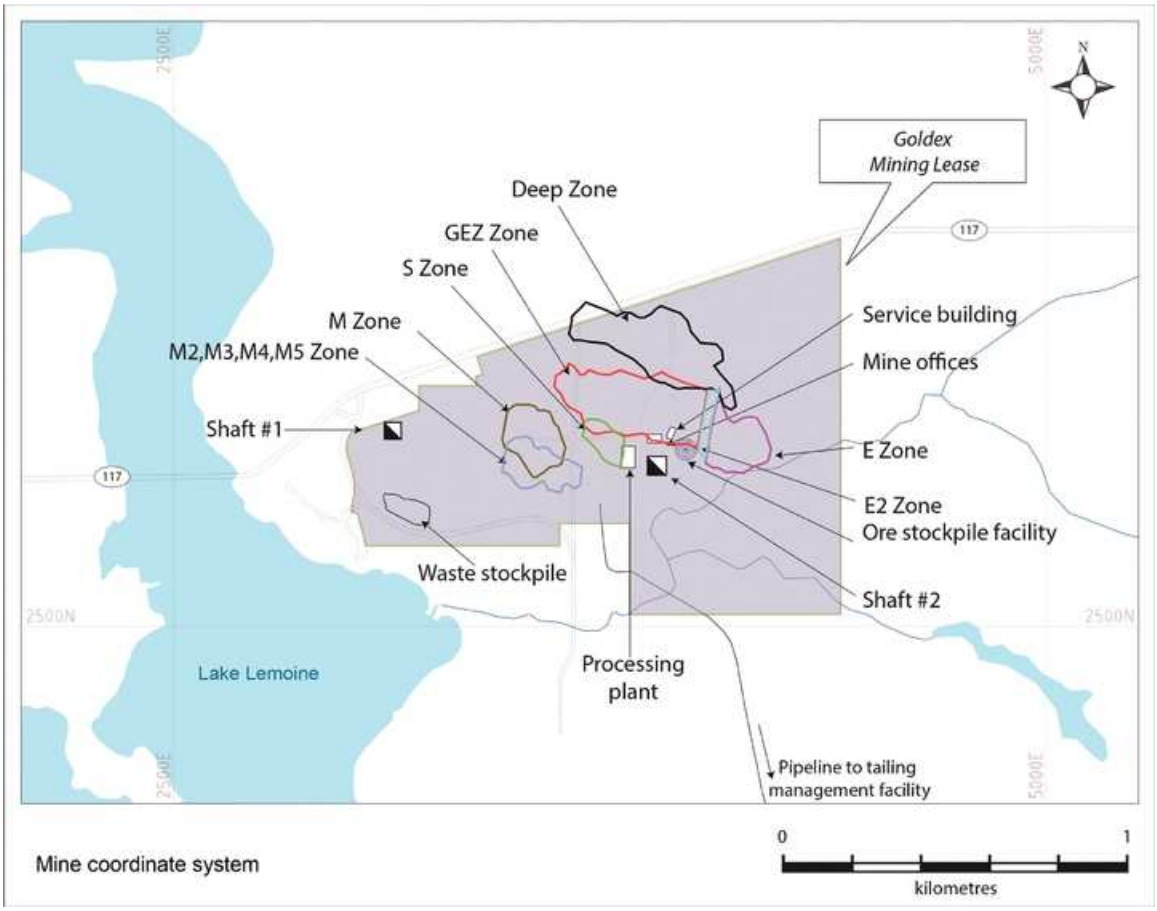
In late 1997, the Company completed a mining study that indicated the deposit was not economically viable to mine at the then-prevailing gold price (approximately $323 per ounce of gold) using the mining approach chosen and drill-hole-indicated grade. The property was placed on care and maintenance and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

Based on the results of a scoping study completed in July 2009, the Company determined to expand the mine and mill operations at Goldex to 8,000 tonnes per day. This project was completed in 2010. Capital costs in connection with the expansion totalled $10 million. The crusher for the expansion was commissioned at the end of the first quarter of 2010 at a rate of 7,811 tonnes per day.

The Goldex mine produced 135,478 ounces of gold in 2011 at total cash costs of $472 per ounce. The Goldex mine project is not expected to produce more gold from the GEZ until at least the geotechnical concerns with the rock above the mining horizon are resolved.

Mining and Milling Facilities

Surface Plan of the Goldex Mine Project (as at December 31, 2012)



At the time the Company commenced construction of the Goldex mine, the surface facilities included a headframe, a hoistroom, a surface building containing a mechanical shop, a warehouse and an office. In addition, the Goldex property had a 790-metre deep shaft (Shaft #1), which provided access to underground workings. Shaft #1 is predominantly used to hoist waste rock from development activities.

The sinking of a new production shaft was completed in 2007. This shaft (Shaft #2) is a 5.5-metre diameter shaft with a 50-centimetre thick concrete lining and is used for ventilation as well as hoisting services. Shaft #2 is 865 metres deep and includes five stations. A refurbished friction hoist was installed for production and service duties, and an auxiliary hoist was installed for emergency and personnel service. The production hoist is equipped with one cageskip. Each skip has a 21.5-tonne capacity and the shaft can hoist an average of 7,000 to 8,000 tonnes of ore per day.

Mining Methods

Prior to the suspension of mining operations on October 19, 2011, the Goldex mine used a high volume bulk mining method, which was made possible through the use of large mining stopes. Drilling and blasting of 165-millimetre production holes was used to obtain a muck size large enough to be economically efficient. Using this method required a percentage of the broken ore to be kept in the stope to reduce the backfilling cost and to reduce sloughing on the walls. Little ore and waste development was necessary to mine out the deposit.

The Company expects to mine the M and E Zones using primary and secondary stope methods. The Company also plans to paste fill to ensure long term stability. For both zones, stopes are planned to be 55 metres high. The width and length will depend on rock mass quality, but an average stope should be approximately 100,000 tonnes. Ore pass systems and scoop trams will be used for the M Zone, while trucks and scoop trams are planned for the E Zone.

Surface Facilities

Plant construction at Goldex commenced in the second quarter of 2006 and was completed in the first quarter of 2008. The plant reached design capacity in the second quarter of 2009. Grinding at the Goldex mill was done through a two-stage circuit comprised of a SAG mill and a ball mill. As part of the expansion project commenced in 2009, a surface crusher was added to reduce the size of ore transferred to the surface from 150 millimetres to 50 millimetres. A lamellar decanter was also added to recover small particles present in the water overflow of the concentrate thickener. The underflow pump of this thickener was upgraded following flotation circuit modification to increase the pull rate of the small particles. Approximately two-thirds of the gold was recovered through a gravity circuit, passed over shaking tables and smelted on site. The remainder of the gold and pyrite was recovered by a flotation process. The concentrate was then thickened and trucked to the mill at the LaRonde mine where it was further treated by cyanidation. Gold recovered was consolidated with precious metals from the LaRonde and Lapa mines. The Company reached an average gold recovery of 93.38% in 2011, prior to the suspension of mining.

A new backfill plant is currently under construction at the surface. The plant will fill stope in the M and E Zones. The tailing thickener underflow will feed the backfill plant and two disk filters will increase the density before the continuous mixer. Cement will be added at a ratio of 6% and then sent to the underground mine with a positive displacement pump. The capacity of the paste production is expected to be 5,500 tonnes per day.

Following the metallurgical tests that have been performed on the M and E Zones, the results show no significant change on the performance obtained. The only factor that will influence the flotation circuit is the cement present in the backfill stope that will be sloping with the ore as dilution. This will require a pH control (using sulphuric acid), a chemicals reservoir and pumps to be added to the mill.

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

Mineral Recoveries

Prior to the suspension of mining operations on October 19, 2011, the Goldex mill processed approximately 2.48 million tonnes of ore, averaging approximately 8,173 tonnes of ore treated per day and operating at approximately 95% of available time. The following table sets out the metal recoveries at the Goldex mine in 2011.

	Head Grades	Gravity Recovery	Flotation-Cyanidation Recovery	Global Recovery	Payable Production
Gold	1.82 g/t	67.76%	25.63%	93.38%	135,478 oz

The Company expects that approximately 5,100 tonnes of ore per day will be mined at the M and E Zones.

Environmental Matters

Environmental permits for the construction and operation of an ore extracting infrastructure at the Goldex mine were received from the Ministry of Sustainable Development, Environment and Parks (Quebec) in October 2005. The permits also covered the construction and operation of a sedimentation pond for mine water treatment and sewage facilities, and these facilities were built at the Goldex mine site. In June 2009, the permits were revised to allow the expansion of the mine and mill operations to 8,500 tonnes per day. In June 2012, environmental permits were received for the construction and operation of a paste backfill plant in connection with the development of the M and E Zones.

In November 2006, the Company and the Quebec government signed an agreement permitting the Company to dispose of the Goldex tailings at the Manitou minesite, a tailings site formerly used by an unrelated third party and abandoned to the Quebec government. The Manitou tailings site has issues relating to acid drainage, and the construction of tailings facilities by the Company and the deposit of tailings from the Goldex plant on the Manitou tailings site was accepted by the Ministry of Sustainable Development, Environment and Parks (Quebec) as a valid rehabilitation plan to address the acid generation problem at Manitou. Under the agreement, the Company managed the construction and operation of the tailings facilities and the Quebec government paid all additional costs above the Company's budget for tailings facilities set out in the Goldex feasibility study. The Quebec government retains responsibility for all environmental contamination at the Manitou tailings site and for final closure of the facilities. In addition, the Company built a separate tailings deposit area (auxiliary tailings pond) near the Goldex mine. Environmental permits for the construction and operation of the auxiliary tailings pond were received in March 2007. In 2011, 237,615 tonnes of Goldex tailings were discharged to the auxiliary pond for a total to date of 764,077 tonnes. At the Manitou site, 2.20 million tonnes of Goldex tailings were discharged for a total to date of 8.095 million tonnes. In 2012, no tailings were sent to the auxiliary tailings pond or to the Manitou tailings site.

A new dyke was built in the summer of 2011 in the auxiliary tailings pond to create a second polishing basin to reduce total suspended solids in the discharged water during spring time. Construction of this dyke was necessary following a notice of infraction received in 2011 from the Quebec Ministry of Environment for exceeding of the permitted total suspended solids.

Following suspension of mining operations at the Goldex property, the mine closure costs were revised to account for the change in conditions at the site. The estimated total for the closure costs of the Goldex mine is approximately $51.4 million, comprised of the following: $1.2 million for demolition, $1 million for engineering, $0.45 million for site preliminary works, $5.4 million for mining site rehabilitation (primarily for backfilling of the zone with high subsidence), $23.2 million for rock grouting and soil improvement, $0.26 million for revegetation of the site, $0.06 million to rehabilitate the sedimentation pond, $0.2 million to rehabilitate the waste rock pile, $1.03 million to rehabilitate the South Tailings basin area, $0.7 million for geotechnical and environmental monitoring, $17.6 million for property purchases and $0.3 million for Baie-Dorée road rehabilitation. In addition, a separate provision of approximately $4.6 million exists for the remaining participation of the Company in the rehabilitation of the Manitou site. In 2011 and 2012, the Company spent $7.7 million and $21.5 million, respectively, on mine closure costs at Goldex.

Capital Expenditures

As a result of the Goldex mine closure, from January to mid-October 2012, Goldex was considered an exploration project and, accordingly, none of the expenses incurred at Goldex were capitalized. A feasibility study for the M and E Zones was completed in mid-October 2012, which demonstrated the potential for a new mining project at the M and E Zones.

Accordingly, from mid-October until the end of 2012, all expenses were capitalized at Goldex. Total expenditures at Goldex in 2012 were $26.7 million for development of the M and E Zones and $14.3 million for remediation.

Capital expenditures of $70 million have been approved to further develop the M Zone and the E Zone in 2013. This amount includes $21 million for the paste plant and $5 million for new mining equipment and infrastructure refurbishing. The sustaining capital for the life of mine is approximately $26 million.

Development

During 2011, approximately 4,256 metres of lateral and vertical development were completed at a cost of $15.3 million, including development following the suspension of mining operations on October 19, 2011. At the present time, development work continues underground on the M Zone, and exploration continues with diamond drilling. In 2012, 4,534 metres of development were completed at a total cost of $23.7 million to develop the M Zone and the E Zone and for exploration of the D Zone.

Development work continues underground on the M and E Zones. A total of 4,800 metres of development at a cost of approximately $23 million is planned for both zones in 2013. In 2014, 4,320 metres will be required to complete the development of the M and E Zones.

Geology, Mineralization and Exploration

Geology

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

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

In 2012, exploration efforts at Goldex were focused on the M Zone, E Zone and D Zone. These zones are defined by quartz tourmaline veins and gold assays are similar to the GEZ. The M Zone has been defined as having a length of 160 metres, a height of 120 metres and a thickness of 115 metres. The E Zone is adjacent to the eastern end of the GEZ, and has a length of 150 metres, a height of 150 metres and a thickness of 100 metres. The D Zone is approximately 150 metres below the GEZ and close to 1,500 metres below the surface. It appears to have an approximate length of 500 metres.

Mineralization

Gold mineralization at Goldex corresponds to the quartz-tourmaline vein deposit type. The Goldex gold-bearing quartz-tourmaline-pyrite veins and veinlets have strong structural control. The most significant structure directly related to mineralization is a discrete shear zone, the Goldex Mylonite, that is up to five metres wide and occurs within the Goldex Granodiorite, just south of the GEZ and north of the M Zone. The quartz-tourmaline-pyrite vein mineralization is controlled by minor fracture zones that are oriented west-northwest and dip steeply north or south. The fractures are parallel to, but north of, the Goldex Mylonite. Within the GEZ and the M and E Zones are three vein sets, the most important of which are extensional-shear veins dipping 30 degrees south and usually less than 10 centimetres thick. The vein sets and associated alteration combine to form stacked envelopes up to 30 metres thick.

Strong albite-sericite alteration of the host-rock quartz diorite surrounds the quartz-tourmaline-pyrite veins and covers almost 80% of the mineralized zone; outside of the envelopes, prior chlorite alteration affects the quartz diorite and gives it a darker grey-green colour. Occasionally, enclaves of relatively unaltered medium grey-green-coloured quartz diorite (with no veining or gold) are found within the GEZ and the M and E Zones; they are included exceptionally as internal waste to allow for a smooth shape, required for mining purposes.

Most of the gold occurs as microscopic particles that are almost always associated with pyrite, generally adjacent to grains and crystals but also 20% included within the pyrite. The gold-bearing pyrite occurs in the quartz-tourmaline veins and in narrow fractures in the sericite-albite-altered quartz diorite (generally immediately adjacent to the veins). Less than 1.5% of the gold occurs as the mineral calaverite, a gold telluride.

Exploration

Three different zones in the Goldex granodiorite intrusive were drilled in 2012. The main exploration focus was the D Zone, with 41.9 kilometres of drilling (representing approximately 60% of total drilling). 12.7 kilometres (18%) were drilled in the satellite zones above the M Zone and 15.5 kilometres (22%) were drilled in the E Zone sector to the east of the GEZ.

In 2012, $14.1 million was spent on exploration at Goldex. A total of 202 holes were drilled using diamond drilling methods for a total length of approximately 70.1 kilometres, compared to 107 holes for a total length of approximately 47 kilometres in 2011. Expenses in 2012 included the extension of the exploration ramp to level 95 and general costs for underground activities (such as electricity and pumping expenses) amounting to approximately $5 million and a study of the D Zone at a cost of $0.32 million.

The 2013 exploration program is budgeted to include 21.6 kilometres of diamond drilling at a cost of $3.5 million. The primary target is the upper portion of the D Zone, where 17 kilometres of drilling is planned. An additional 4.6 kilometres of drilling is planned for the satellites zones above the M Zone (M2-M5) and the S Zone. In 2013, a geo-mechanical study relating to mineralized zones is also planned at an expected cost of $0.5 million. Accordingly, the aggregate cost of the 2013 exploration program is expected to be $4 million.

Kittila Mine

The Kittila mine, which commenced commercial production in May 2009, is located approximately 900 kilometres north of Helsinki and 50 kilometres northeast of the town of Kittila in northern Finland. At December 31, 2012, the Kittila mine was estimated to contain proven and probable mineral reserves of 4.8 million ounces of gold comprised of 33.1 million tonnes of ore grading 4.49 grams per tonne. The Kittila mine is accessible by paved road from the village of Kiistala, which is located on the southern portion of the main claim block. The gold deposit is located near the small village of Rouravaara, approximately ten kilometres north of the village of Kiistala, accessible via a paved road. The property is close to infrastructure, including hydro power, an airport and the town of Kittila. The project also has access to a qualified labour force, including mining and construction contractors.

The total landholdings surrounding and including the Kittila mine comprise one mining licence (licence area of 845 hectares and licence extension application area of 288 hectares) and 236 tenements covering approximately 21,212 hectares. The mineral titles form a continuous block around the Kittila mining licence. The block has been divided into the Suurikuusikko area, the Suurikuusikko West area, the Suurikuusikko East area and the Kittila mining licence centred at 25.4110 degrees longitude east and 67.9683 degrees latitude north.

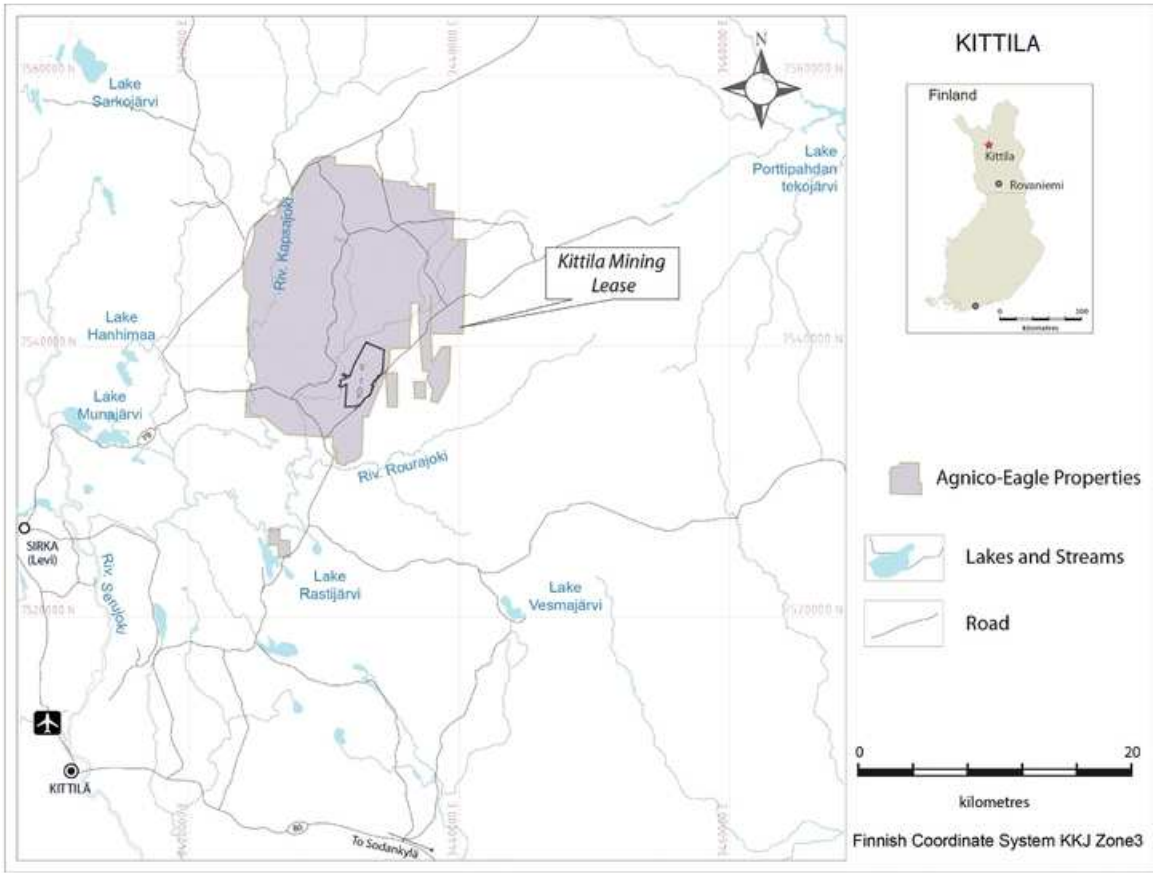
The boundary of the mining licence is determined by ground-surveyed points whereas the boundaries of the other tenements are not required to be surveyed. All of the tenements in the Kittila mine are registered in the name of Agnico-Eagle Finland Oy, an indirect, wholly-owned subsidiary of the Company. According to the Finnish government's land tenure records, all tenements are in good standing. The expiry dates of the tenements vary from June 2013 to August 2017. Tenements are initially valid for four years, provided exploration work in the area is reported annually and a small annual fee is paid to maintain title; extensions for titles can be granted for 11 additional years on payment of a slightly higher fee and active exploration in the area. Agnico-Eagle Finland Oy also holds the mining licence in respect of the Kittila mine. The mine is subject to a 2.0% net smelter return royalty payable to the Republic of Finland.

The Kittila mine area is sparsely populated and is situated between 200 and 245 metres above sea level. The topography is characterized by low rolling forested hills separated by marshes, lakes and interconnected rivers. The gold deposit is situated on an area of land that has no special use at present and there is sufficient land available for tailings facilities. Water requirements for the Kittila mine are sourced from the nearby Seurujoki River, recirculation of water from pit

dewatering and tailings pond water. The Kittila region is located within the South-West Lapland zone of the northern boreal vegetation zone characterized by spruce forests, marshes and bogs.

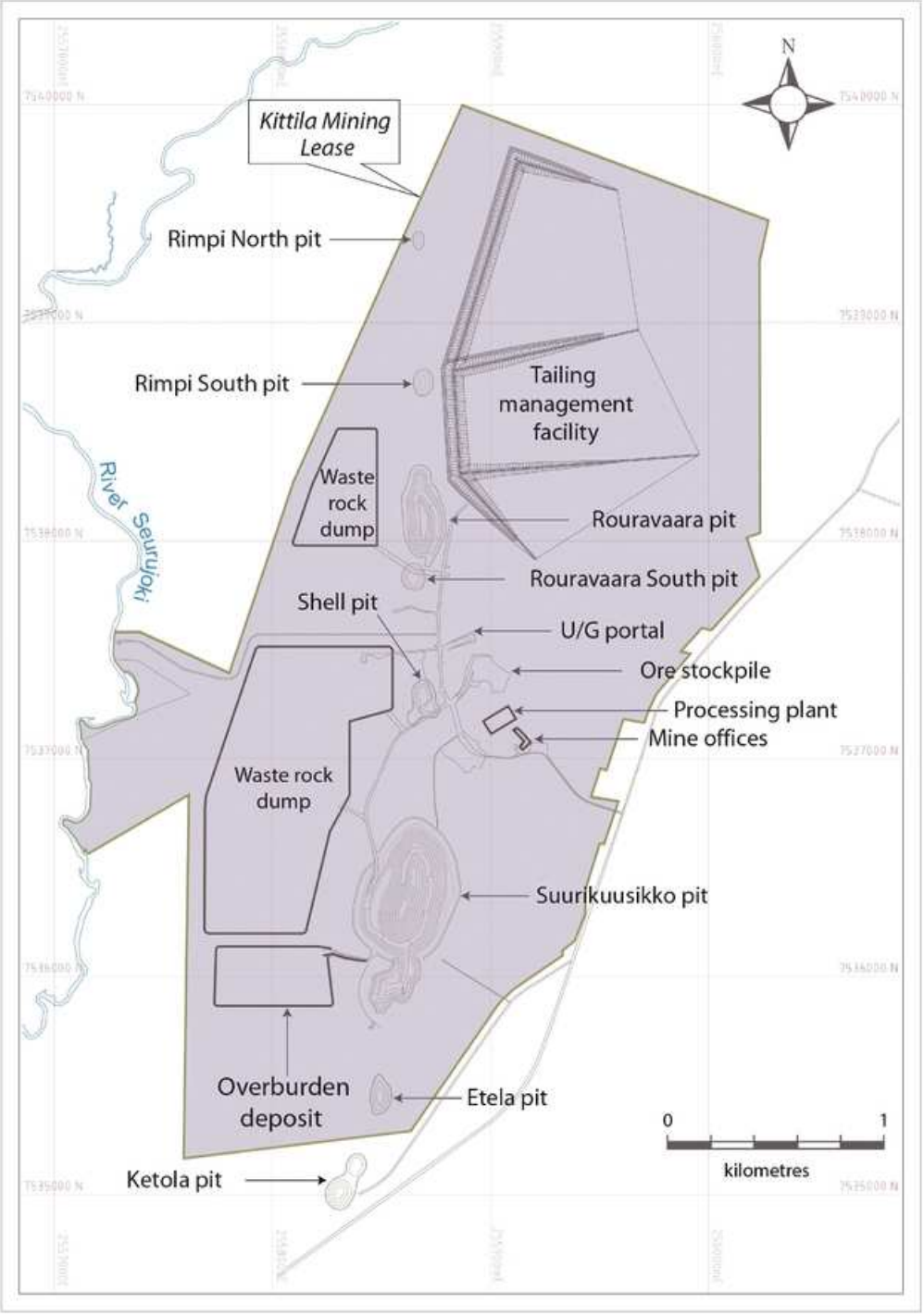
The mine is located within the Arctic Circle but the climate is moderated by the Gulf Stream off the coast of Norway such that northern Finland's climate is comparable to that of eastern Canada. Winter temperatures range from -10 to -30 degrees Celsius, whereas summer temperatures range from 10 degrees Celsius to the mid-20s. Exploration and mining work can be carried out year-round. Because of its northern latitude, winter days are extremely short with a brief period of 24-hour darkness around the winter solstice. Conversely, summer days are very long with a brief period of 24-hour daylight in early summer around the summer solstice. Annual precipitation varies between five and 50 centimetres, one-third of which falls as snow. Snow accumulation usually begins in November and remains until March or April.

Location Map of the Kittila Mine (as at December 31, 2012)



The Company acquired its 100%, indirect interest in the Kittila mine through the acquisition of Riddarhyttan completed in November 2005. See "– History and Development of the Company". In June 2006, on the basis of an independently reviewed feasibility study, the Company approved construction of the Kittila mine. Mining at Kittila started initially as open pit mining. This open pit mining was completed in November 2011 and all mining is currently carried out from the underground via ramp access. The initial underground stope was mined in early 2010. Ore is processed in a 3,000-tonne per day surface processing plant that was commissioned in late 2008. Limited gold concentrate production started in September 2008 and gold dore bar production commenced in January 2009. During 2010, throughput at the Kittila mine occurred at design levels and gold recoveries continued to improve. The Kittila mine is anticipated to produce approximately 173,708 ounces of gold in 2013 at estimated total cash costs per ounce of approximately $565. Over the period of 2013 to 2043, total annual average gold production of approximately 141,442 ounces is anticipated. A scoping study is underway to assess the feasibility of significantly increasing the annual gold production.

Surface Plan of the Kittila Mine (as at December 31, 2012)



The orebodies at Kittila were mined initially from two open pits, followed by underground operations to mine the deposits at depth. Additional, smaller open pits will be used to mine any remaining mineral reserves close to the surface in the future. Open pit mining started in May 2008 and the extracted ore was stockpiled. As of December 2012, a total of 3.9 million

tonnes of ore have been processed, including ore both from the open pits and underground, 0.46 million tonnes of ore are currently stockpiled and 33.1 million tonnes of waste rock have been excavated. Work on the ramp and other work to access the reserves underground continued throughout 2012. Total underground (lateral and vertical) development at the end of 2012 is approximately 29,000 metres. Underground mining commenced in the fourth quarter of 2010 and, at the end of 2012, a total of 0.93 million tonnes of ore has been mined from the underground portion of the mine.

Mining Methods

At the Kittila mine, the Suurikuusikko and the Rouravaara orebodies are currently mined by underground mining methods and access to the underground mine is via ramp. Approximately 3,000 tonnes of ore per day are fed to the concentrator. The underground mining method is open stoping with delayed backfill. Stopes are between 25 and 40 metres high and yield approximately 10,000 tonnes of ore per stope. To ensure sufficient ore production is available to supply the mill, over 6,000 metres of tunnels will be developed each year. After extraction, stopes are filled with paste backfill or cemented backfill to enable the safe extraction of ore in adjacent stopes. Ore will be trucked to the surface crusher via the ramp access system.

Surface mining finished in 2012; mining stopped at the Rouvaara open pit in April 2012 and mining at the Suurikuusikko pit was completed in early November.

Surface Facilities

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

The ore at Kittila is treated by grinding, flotation, pressure oxidation and CIL circuits. Gold is recovered from the carbon in a Zadra elution circuit and is recovered from the solution using electrowinning and then poured into dore bars using an electric induction furnace.

Mineral Recoveries

In 2012, the Kittila mill processed 1,090,365 million tonnes of ore with an availability of 86% for an average throughput of 2,996 tonnes per day.

The following table sets out the gold production at the Kittila mine in 2012:

	Head Grade	Overall Metal Recovery	Payable Production
Gold	5.68 g/t	88.3%	175,878 oz

Ore processing at Kittila consists of two stages. In the first stage, ore is enriched by flotation and in the second stage the gold is extracted by pressure oxidation and cyanide-in-leach processes. Flotation recoveries were very stable and continued to improve during 2012. They averaged 94.8% during the year.

Recoveries in the second stage of the process were also very stable and good in 2012, averaging 93.2% over the year. Modifications done in 2012 inside the autoclave resulted in better oxygen distribution and sludge flow resulting in improved recoveries. Test work will continue in 2012 to try to further improve the control of the process.

Environmental Matters

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

The construction of the first phase of the tailings dam and waterproof bottom layer was completed in the fall of 2008. This first phase is sufficient to hold tailings from three years of production. Work began on the second phase in 2009 and continues according to plans and permit requirements. Water from dewatering the mine and water used in the mine and

mill is collected and treated by sedimentation. Emissions and environmental impact are monitored in accordance with the comprehensive monitoring program that has been approved by the Finnish environmental authorities. Work on enhancing the scrubbing of mill gases initiated in 2012 was postponed to 2014 due to reviews by authorities of the permit levels. There are no material environmental liabilities related to the Kittila mine.

Capital Expenditures

Capital expenditures at the Kittila mine during 2012 totaled approximately 59.9 million, which included paste backfill plant construction, mill modification, underground development, exploration and conversion drilling costs within the mining licence area and sustaining capital costs. The Company expects capital expenditures at the Kittila mine to be approximately $49 million in 2013, most of which will be used for mining equipment, development and construction of underground infrastructure and exploration and conversion drilling on the mining licence area.

Development

Open pit mining was completed at the Roura pit in April 2012 and at the Suurikuusikko pit in November 2012. A total of 492,178 tonnes of ore were mined from the Suurikuusikko pit and 86,130 tonnes of ore were mined from the Roura pit in 2012.

In 2012, underground development continued in both the Suurikuusikko and Rouravaara zones. 7,518 metres of ramp and sublevel access development was completed during the year. A total of 118,000 tonnes of ore from development and 523,000 tonnes of stope ore were mined in 2012. The Company expects to complete 8,223 metres of lateral development and 635 metres of vertical development during 2013.

Geology, Mineralization and Exploration

Geology

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

The mine area is underlain by mafic volcanic and sedimentary rocks metamorphosed to greenschist assemblages and assigned to the Kittila group. The major rock units trend north to north-northeast and are near-vertical. The volcanics are further sub-divided into iron-rich tholeiitic basalts (Kautoselka Formation) located to the west and magnesium-rich tholeiitic basalt, coarse volcaniclastic units, graphitic schist and minor chemical sedimentary rocks (Vesmajarvi Formation) located to the east. The contact between these two rock units consists of a transitional zone (the Porkonen Formation) varying between 50 and 200 metres in thickness. This zone is strongly sheared, brecciated and characterized by intense hydrothermal alteration and gold mineralization, features consistent with major brittle-ductile deformation zones. It includes the north-northeast-oriented 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 has been focused on the 4.5-kilometre stretch that hosts the known gold reserves and resources. From north to south, the zones are Rimminvuoma ("Rimpi-S"), the deep extension of Rimminvuoma ("Rimpi Deep"), North Rouravaara ("Roura-N"), Central Rouravaara ("Roura-C"), depth extension of Rouravaara and Suurikuusikko ("Suuri/Roura Deep"), Suurikuusikko ("Suuri"), Etela and Ketola. The Suuri and Suuri/Roura Deep zones include several parallel sub-zones that have previously been referred to as Main East, Main Central and Main West. The Suuri zone hosts approximately 26% of the current probable gold reserve estimate on a contained-gold basis, while Suuri Deep has approximately 19%, Roura-C approximately 7%, Roura Deep approximately 22%, Roura-N approximately 1%, Rimpi Deep approximately 19%, Rimpi-S approximately 5%, Ketola approximately 1% and Etela approximately 0.2%.

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

Exploration

In 1986, the discovery of coarse visible gold in quartz-carbonate veining along a road cut near the village of Kiistala alerted the Geological Survey of Finland ("GTK") to the gold exploration potential of the area. Following this discovery, GTK initiated regional exploration over the area and deployed a wide range of indirect exploration tools to explore this relatively unexplored area. From 1987 to 2005, GTK, and later Riddarhyttan, undertook drilling programs and other testing on the property. After it acquired the property in 1998, Riddarhyttan continued to investigate the metallurgical properties of the refractory gold mineralization with the objective of demonstrating its recoverability and assessing suitable processing scenarios and initiated engineering and environmental studies to assess the feasibility of a mining project.

Diamond drilling is used for exploration on the Kittila property. Most of the work on the mining licence area has focused on the Suuri and Roura zones. As of December 31, 2012, a total of 2,625 drill holes, totalling 762,554 metres, have been completed on the property. In 2012, between three and eight drill machines worked on the Kittila property: one to two drills on underground infill drilling; two to six drills on mine exploration; and one to two drills on resource-to-reserve conversion drilling. A total of 330 drill holes were completed for a length of 70,897 metres. Of these drill holes, 232 (21,040 metres) were for definition drilling, 37 (7,959 metres) were for conversion drilling and 61 (41,898 metres) were related to mine exploration. Total expenditures for diamond drilling in 2012 were $16.2 million, including $2.8 million for definition and delineation drilling

In 2012, proven and probable gold reserves decreased by 0.4 million ounces to 4.8 million ounces (33.1 million tonnes of ore grading 4.49 grams per tonne). This decrease was primarily due to a combination of the introduction of more stringent criteria for determining the cut-off, a more conservative stope-design and production planning process and higher operating costs. The Rimpi Deep zone was the only zone where reserves increased (+0.9 million ounces) as a result of exploration drilling. Indicated mineral resources decreased by 5.1 million tonnes to 7.9 million tonnes of ore grading 2.65 grams per tonne. Inferred mineral resources increased by 11.0 million tonnes to 19.0 million tonnes of ore grading 3.88 grams per tonne.

A successful deep drilling program in 2012 at the Rimpi Deep zone, which is located immediately below the Rimpi-S zone, has converted a large amount of inferred resources into probable reserves in this area. The gold mineralization in Rimpi Deep is still open at depth and to the north.

A resource-to-reserve conversion drilling campaign was carried out at Suuri, Roura and Rimpi-S in 2012, which did not increase reserves significantly.

Outside of the Kittila mining licence area, systematic diamond drilling and target focused ground geophysics continued along the Suurikuusikko Trend, and a number of new targets were tested by diamond drilling. Encouraging results were obtained from new gold zones in the Kuotko West area located approximately 10 kilometres north of the Kittila mine site. A total of 44 diamond drill holes totalling 15,436 metres were drilled on exploration targets outside of the mining licence area in 2012.

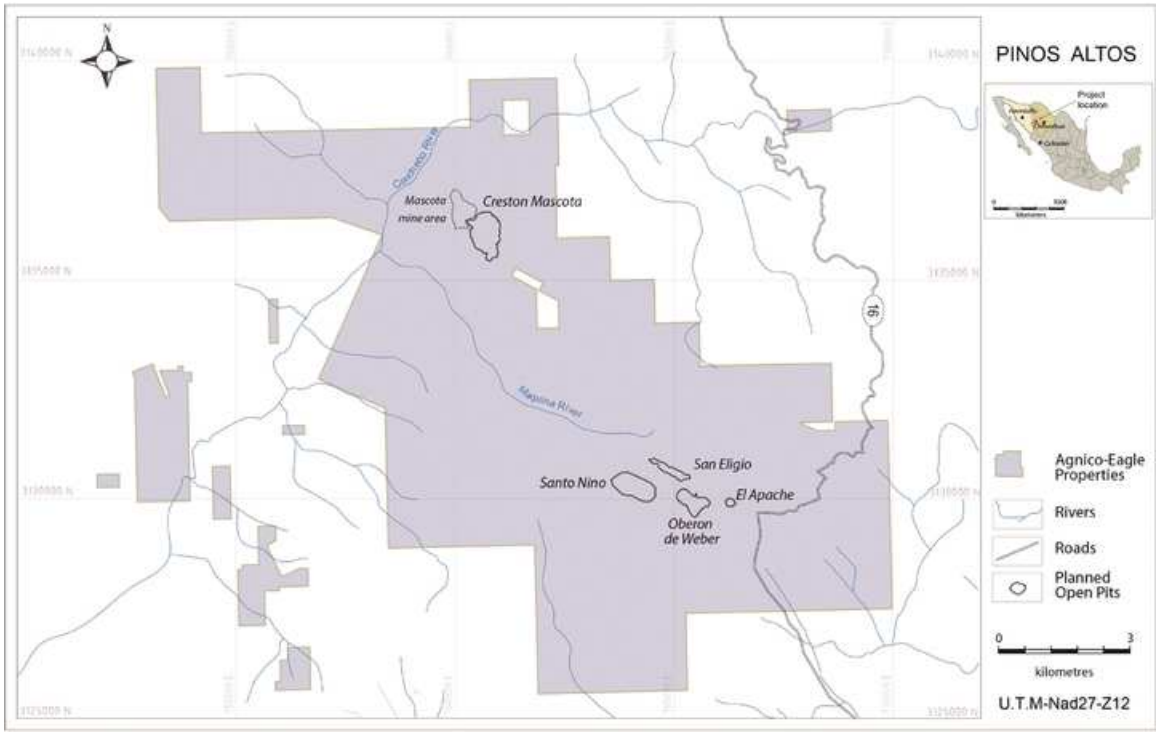
The 2013 exploration budget for the Kittila mine is approximately $7.4 million ($6.2 million for minesite exploration and $1.2 million for resource-to-reserve conversion) and includes over 24,600 metres in diamond drilling (16,200 metres for minesite exploration and 8,400 metres for resource-to-reserve conversion), using up to four drills throughout the year to help further identify the gold reserve and resource potential of the Kittila property.

In addition, $2.6 million of exploration expenditures, including an estimated 11,000 metres of diamond drilling, is planned for exploration along the 25-kilometre Suurikuusikko Trend in 2013.

Pinos Altos Mine

The Pinos Altos mine achieved commercial production in November 2009. It is located on an 11,000-hectare property in the Sierra Madre gold belt, 285 kilometres west of the City of Chihuahua in the State of Chihuahua in northern Mexico. At December 31, 2012, the Pinos Altos mine, including the Creston Mascota deposit, was estimated to contain proven and probable mineral reserves of 2.7 million ounces of gold and 74.4 million ounces of silver comprised of 38.1 million tonnes of ore grading 2.21 grams of gold per tonne and 60.71 grams of silver per tonne. The Pinos Altos property is made up of two blocks: the Agnico Eagle Mexico Concessions (22 concessions, 26,810.2 hectares), and the Pinos Altos Concessions (18 concessions, 5,053.1 hectares).

Location Map of the Pinos Altos Mine (as at December 31, 2012)



Approximately 74% of the current Pinos Altos mineral reserves and resources are subject to a net smelter royalty of 3.5% payable to Pinos Altos Explotación y Exploración S.A. de C.V. ("PAEyE") and the remaining 26% of the current mineral reserves and resources at Pinos Altos are subject to a 2.5% net smelter return royalty payable to the Consejo de Recursos Minerales, a Mexican Federal Government agency. After 2029, this portion of the property will also be subject to a 3.5% net smelter return royalty payable to PAEyE.

The assets acquired by the Company from PAEyE in 2006 included the right to use up to 400 hectares of land for mining installations for a period of 20 years after formal mining operations have been initiated. The Company also obtained sole ownership of the Agnico Eagle Mexico Concessions previously owned by Compania Minera La Parreña S.A. de C.V. During 2008, the Company and PAEyE entered into an agreement under which the Company acquired further surface rights for open pit mining operations and additional facilities. Infrastructure payments, surface rights payments and advance royalty payments totalling $35.5 million were made to PAEyE in 2009 as a result of this agreement.

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

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

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

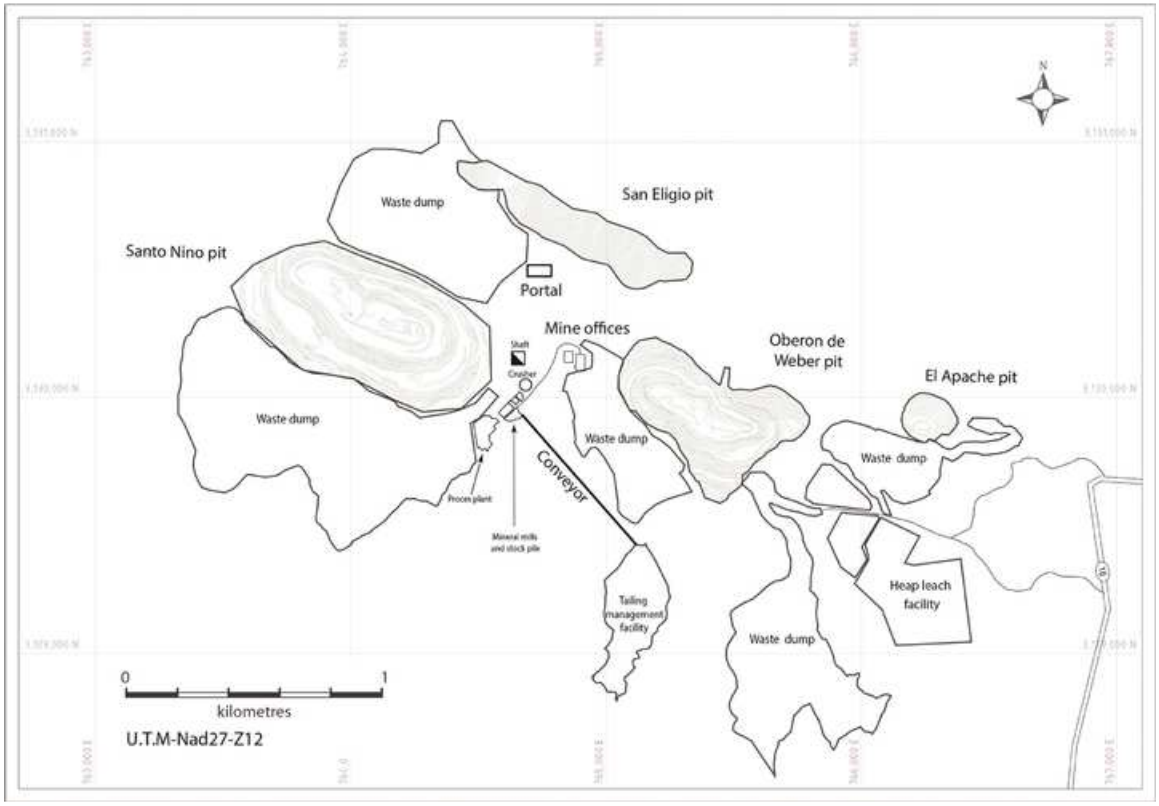
In August 2007, on the basis of an independently reviewed feasibility study, the Company approved construction of a mine at Pinos Altos. The mine achieved commercial production in November 2009.

Combined production from the Pinos Altos mine and the nearby Creston Mascota deposit was 234,837 payable ounces of gold and 2,312,013 payable ounces of silver in 2012 at total cash costs per ounce of gold of $286. In 2013, combined gold production from the Pinos Altos mine and the Creston Mascota deposit is expected to be approximately 191,000 ounces and silver production is expected to be approximately 2,263,841 ounces. Total cash costs per ounce of gold are forecast at approximately $300. Under the current mine plan, from 2013 to 2029, combined gold production from the Pinos Altos mine, including the Creston Mascota deposit, is expected to average approximately 154,000 ounces of gold per year.

Based on a feasibility study prepared in 2009, the Company decided to build a stand-alone heap leach operation at the satellite open pit Creston Mascota deposit. Creston Mascota is expected to produce approximately 51,489 ounces of gold per year during the next five years (2013-2017). Capital costs in connection with the project were approximately $65 million. The first gold pour from the Creston Mascota deposit occurred on December 28, 2010 and commercial production from the Creston Mascota deposit was achieved in the first quarter of 2011. On September 30, 2012, a movement of ore material was detected on the lower levels of the Creston Mascota leach pad (Phase 1). As a result of this movement, leaching operations were temporarily suspended at Creston Mascota until the upper level of the leach pad (Phase 2) could be prepared as an isolated containment area. These modifications are expected to be completed in early 2013 and resumption of leaching operations is expected during the second quarter of 2013. The Company continues to evaluate opportunities to develop other mineral resources that have been identified in the Pinos Altos area as satellite operations.

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

Surface Plan of the Pinos Altos Mine (as at December 31, 2012)



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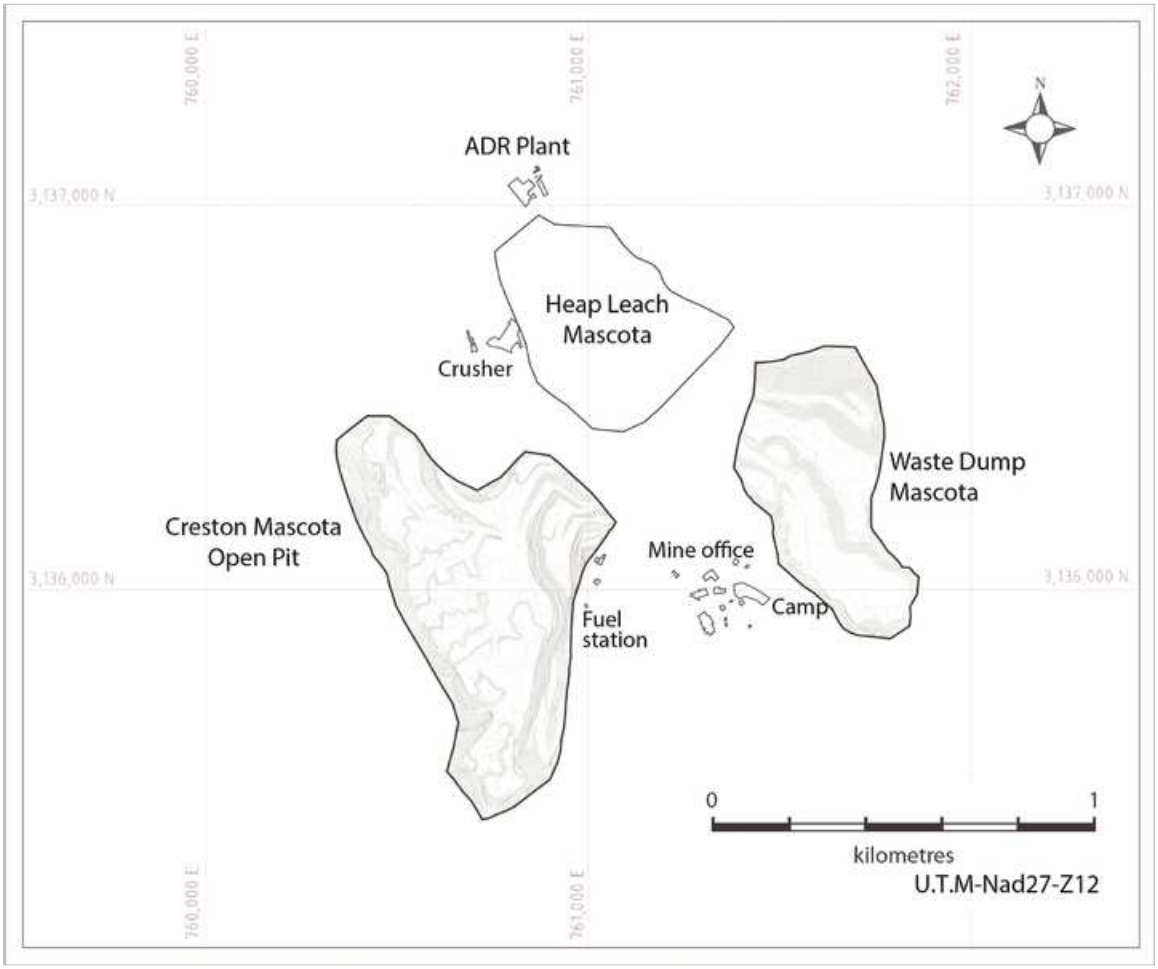
Surface Plan of the Creston Mascota Deposit (as at December 31, 2012)



Milling operations during 2012 at Pinos Altos averaged 5,020 tonnes processed per day as compared to the design expectation of 4,000 tonnes per day. The underground mine at Pinos Altos produced an average 3,193 tonnes of ore per day as compared to the design expectation of 3,000 tonnes per day. The open pit mines at Pinos Altos and the Creston Mascota deposit produced 23,465,263 tonnes of ore, overburden and waste in 2012, which met the expectation of the mine plan for the year.

Mining Methods

The surface operations at the Pinos Altos mine use traditional open pit mining techniques with bench heights of seven metres and double benches on the footwall and single benching on the hanging wall. Mining is accomplished with front end loaders, trucks, track drills and various support equipment. Based upon geotechnical evaluations, the final pit slopes will vary between 45 degrees and 50 degrees. Performance at the open pit mining operation at Pinos Altos during 2012 continues to indicate that the equipment, mining methods and personnel selected for the project are satisfactory for future production phases. 16,007,364 tonnes of ore, overburden and waste were mined during 2012, exceeding the expected production for the year by 2%.

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

2010 and are now fully operational. During 2012, approximately 1,155,200 tonnes of ore were produced from the underground portion of the mine, averaging 3,164 tonnes per day. Currently, the full capacity of the underground mine is 3,000 tonnes of ore per day. However, construction of a shaft hoisting facility to increase the mining capacity to 4,500 tonnes of ore per day was initiated in 2012, with completion of this project expected in 2016. The shaft hoisting capacity will reduce the number of underground trucks required and will continue to maintain mill feed rates at 4,500 tonnes per day in future years as the open pit mines at Pinos Altos become depleted. Approximately 30 kilometres of total lateral development have been completed as of December 31, 2012.

Surface Facilities

The principal mineral processing facilities at the Pinos Altos mine are designed to process 4,000 tonnes of ore per day in a conventional process plant circuit which includes single stage crushing, grinding in a SAG and ball mill in closed loop, gravity separation followed by agitated leaching, counter current decantation and metals recovery in the Merrill-Crowe process. Tailings are detoxified and filtered and then used for paste backfill in the underground mine or deposited as dry tailings in an engineered tailings impoundment area. The Pinos Altos mill processed an average of 5,033 tonnes of ore per day during 2012. Low grade ore at Pinos Altos is processed in a heap leach system designed to accommodate approximately five million tonnes of mineralized material over the life of the project. The production from heap leach operations is expected to be relatively minor, contributing about 5% of total metal production planned for the life of the mine.

As noted above, a separate heap leach operation and ancillary support facilities were built at the Creston Mascota deposit, which is designed to process approximately 4,000 tonnes of ore per day in a three stage crushing, agglomeration and heap leach circuit with carbon adsorption. This project began commissioning in the latter part of 2010, with commercial production achieved in the first quarter of 2011. During 2012, a total of 1,397,599 tonnes of ore were produced at the Creston Mascota deposit, averaging 3,819 tonnes per day. Based on early performance of the mine and process facilities at the Creston Mascota deposit, the equipment, mining methods and personnel are satisfactory for completion of the planned production phases. The Creston Mascota deposit is expected to produce approximately 53,000 ounces of gold per year during the six-year remaining projected mine life (2013-2018).

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

Over the life of the mine, recoveries of gold and silver in the milling circuit at Pinos Altos (other than from the Creston Mascota deposit) are expected to average approximately 93% and 48%, respectively. The Company anticipates precious metals recovery from low grade ore processed in the Pinos Altos heap leach facility will average about 68% for gold and 12% for silver. Heap leach recoveries for Creston Mascota ore are expected to average 71% for gold and 16% for silver.

Mineral Recoveries

During 2012, the Pinos Altos mill processed 1,837,333 tonnes of ore, averaging approximately 5,020 tonnes of ore treated per day and operating at approximately 90.6% of available time. The following table sets out the metal recoveries at the Pinos Altos mill in 2012.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	2.974 g/t	94.0%	165,056 oz
Silver	82.29 g/t	44.0%	2,124,334 oz

An additional 1,024,976 tonnes of ore were processed and placed on the heap leach pad at Pinos Altos in 2012, with an average grade of 0.74 grams of gold per tonne and 24.8 grams of silver per tonne. Cumulative metals recovery on the heap leach pad at Pinos Altos are 64.14% gold and 11.99% silver. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate recovery of 68% for gold and 12% for silver will be achieved when leaching is completed.

An additional 1,532,364 tonnes of ore were processed and placed on the heap leach pad at the Creston Mascota deposit in 2012, with an average grade of 1.74 grams of gold per tonne and 14.77 grams of silver per tonne. Cumulative metals recovery on the heap leach pad at the Creston Mascota deposit are 54% gold and 7.61% silver. Heap leach recovery is following the expected cumulative recovery curve and it is anticipated that the ultimate recovery of 71% for gold and 16% for silver will be achieved when leaching is completed.

Total metal production (from mill and heap leach) at Pinos Altos, including the Creston Mascota deposit, during 2012 was 234,837 payable ounces of gold and 2,312,013 payable ounces of silver.

Environmental Matters

The Pinos Altos mine has received the necessary permit authorizations for construction and operation of a mine, including a Change of Land Use permit and an Environmental Impact Study approval from the Mexican environmental agency ("SEMARNAT"). As of December 31, 2012, all permits necessary for the operation of the Pinos Altos mine, including the operations at the Creston Mascota deposit, had been received. Pinos Altos uses the dry stack tailings technology to minimize the geotechnical and environmental risk that can be associated with the rainfall intensities and topographic relief in the Sierra Madre region of Mexico. All of the Mexican environmental regulatory requirements are expected to be met or exceeded by the Pinos Altos mine (including operations at the Creston Mascota deposit). Operations at Pinos Altos and the Creston Mascota deposit were deemed to qualify for the "Industria Limpia" (clean industry) designation by SEMARNAT in 2012.

Capital Expenditures

Capital expenditures at the Pinos Altos mine during 2012 were approximately $25.2 million. Capital expenditures at the Creston Mascota deposit during 2012 were approximately $2.0 million.

The Company expects sustaining and deferred capital expenditures at Pinos Altos to be approximately $62 million in 2013 with average sustaining and deferred capital of approximately $18 million per year for a projected mine life of approximately 17 years. Approximately $13 million in development capital is forecast at the Creston Mascota deposit in 2013, with sustaining capital expenditures of $5.4 million during its remaining six-year mine life.

Development

As of December 31, 2012, for the mine life to date, more than 92.7 million tonnes of ore, overburden and waste had been removed from the open pit mine at Pinos Altos and more than 30 kilometres of lateral development had been completed in the underground mine. At the Creston Mascota deposit, approximately 18.0 million tonnes of ore, overburden, and waste had been removed from the open pit mine as of December 31, 2012.

Geology, Mineralization and Exploration

Geology

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

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

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

Structure on the property is dominated by a 10-kilometre by 3-kilometre horst, a fault-uplifted block structure oriented west-northwest, that is bounded on the south by the south-dipping Santo Nino fault and on the north by the north-dipping Reyna de Plata fault. Quartz-gold vein deposits are emplaced along these faults and along transfer faults that splay from the Santo Nino fault.

Mineralization

Gold and silver mineralization at the Pinos Altos mine consists of low sulphidation epithermal type hydrothermal veins and breccias. The Santo Nino structure outcrops over a distance of roughly six kilometres. It strikes at 060 degrees azimuth on its eastern portion and turns to strike roughly 090 degrees azimuth on its western fringe. The structure dips at 70 degrees towards the south. The four mineralized sectors hosted by the Santo Nino structure consist of discontinuous quartz rich lenses named from east to west: El Apache, Oberon de Weber, Santo Nino and Cerro Colorado.

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

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

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

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

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

Several other promising zones are associated with the horst feature in the northwest part of the property. The Creston Mascota deposit is 7 kilometres northwest of the Santo Nino deposit, and is similar, but dips shallowly to the west. The Creston Mascota deposit is about 1,000 metres long and 4 to 40 metres wide, and extends from surface to more than 200 metres depth. Ore production from the Creston Mascota deposit began in July 2010, with the first gold poured in December 2010 and commercial productions commencing in February 2011.

Exploration

In 2012, minesite exploration activities were primarily focused on definition and delineation of the resources at Santo Nino, Oberon de Weber, San Eligio and Creston Mascota. A total of 25.9 kilometres of minesite exploration drilling, 17.9 kilometres of definition drilling and 8 kilometres of delineation drilling were completed during the year. Regional exploration in 2012 focused on the Penasco Blanco, Veta Escalon, Veta Colorada and Veta Flor prospects. Diamond drilling consisted of 5.7 kilometres. More than 23,800 core samples and 5,220 rock samples were sent to a certified laboratory and assayed mainly for gold and silver.

The Cubiro mineralization is two kilometres west of the Creston Mascota deposit. Cubiro is a surface deposit that strikes northwest, has a steep dip and has been followed along strike for approximately 850 metres. Drilling has intersected significant gold and silver mineralization up to 30 metres wide. The Cubiro deposit is split by a fault that caused 200 metres of displacement to the west, which has been traced by drilling. The zone is still open to the southeast and possibly at depth.

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

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

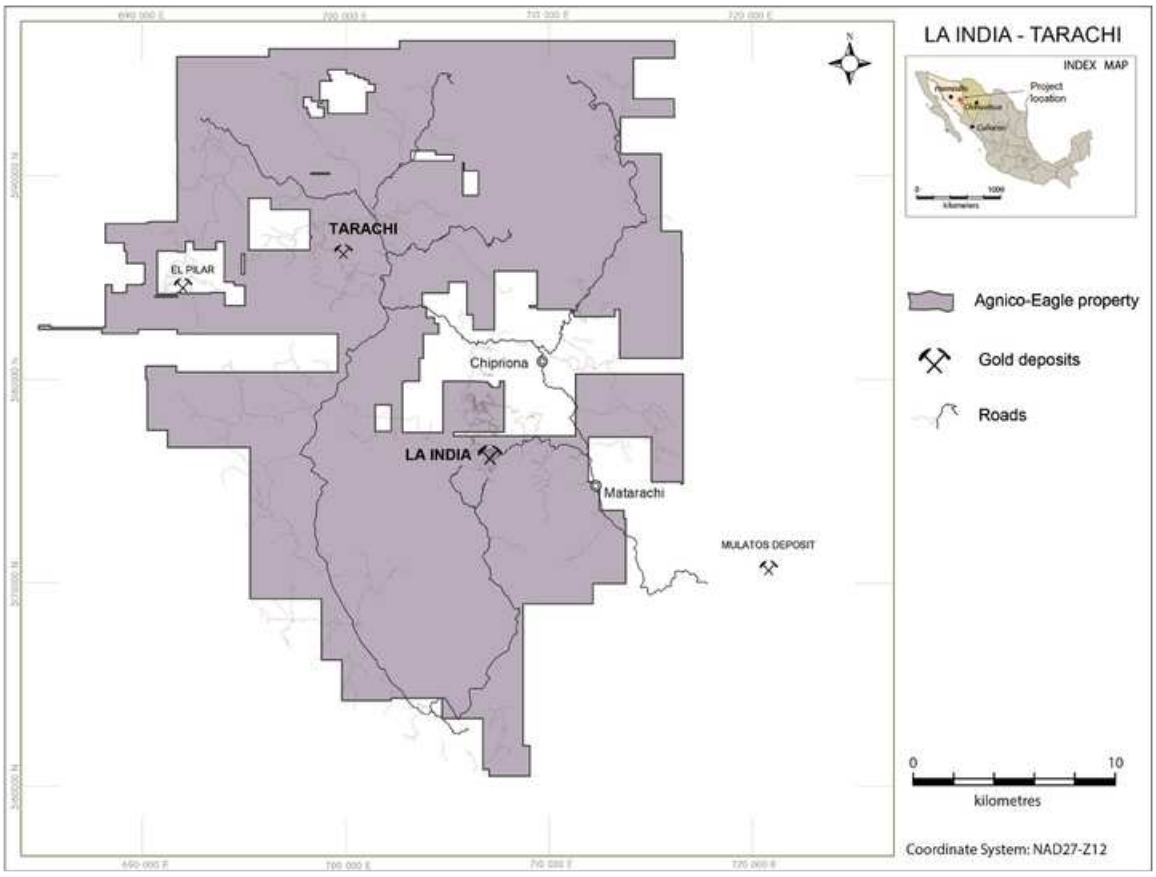
In 2013, the Company expects to spend approximately $6.5 million on exploration at the Pinos Altos mine, including $3.5 million on 14,000 metres of conversion drilling and $3.0 million on 12,000 metres of exploration drilling.

La India Mine Project

Construction began at La India in September 2012 and commercial production is anticipated for the second quarter of 2014, three months ahead of the original plan. On average, the La India mine is expected to produce approximately 90,000 ounces of gold annually at total cash costs per ounce of approximately $500 over a mine life of approximately nine years. At December 31, 2012, the La India mine was estimated to contain proven and probable mineral reserves of 0.8 million ounces of gold comprised of 33.5 million tonnes of ore grading 0.72 grams per tonne.

The La India property consists of 43 mining concessions totalling approximately 56,000 hectares in the Mulatos Gold Belt. The La India mine project includes the Tarachi deposit and several other prospective targets in the belt. At Tarachi, indicated resources are 34.5 million tonnes grading 0.41 grams of gold per tonne and inferred resources are 72.0 million tonnes grading 0.38 grams of gold per tonne. A metallurgical testing program on Tarachi composite samples has been initiated.

Location Map of the La India Mine Project (as at December 31, 2012)



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

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

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

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

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

Engineering studies and operating and capital cost estimates were developed to exploit only the oxide mineralization at La India; there is no plan to mine sulphide minerals. Metallurgical test results indicate an overall gold recovery of 80%. Total cash costs are expected to be $497 per ounce of gold produced net of by-product silver credits. The pre-production capital cost is estimated at $157.6 million and the life of mine capital cost is expected to total $183.4 million.

As of December 31, 2012, the environmental permits required for construction of the mine had been obtained and the following advances had been achieved:

- construction camp was completed and contractors began construction of the sites for the crusher, leach pad/pond facilities, process plant, truck shop, warehouse, office and permanent camp facilities;
- surface water rights were obtained to enable project water requirements to be secured through the construction of rain catchment ponds close to the project;
- permission was obtained to use the airstrip in the town of Tarachi (20 kilometres from the project site) to improve access to the project; and
- the initial ramp-up of operating personnel and equipment.

The climate at La India is semi-arid with seasonal temperatures ranging from 35 degrees celsius to – 2 degrees celsius, and torrential rainfall from July to September. Exploration activities may be conducted year-round.

At the Tarachi deposit, the surface rights in the project area are owned by the Matarachi Ejido (agrarian community) and private parties. All measured, indicated and inferred project resources lie within privately owned or ejido possessed land. Surface access lease agreements have been executed with the property owners or possessors for all identified target areas. The existing agreements permit exploration activities only; if mining activity is contemplated in this exploration area the Company will require further negotiations to acquire the surface rights needed for project development.

Mining and Milling Facilities

Mining Methods

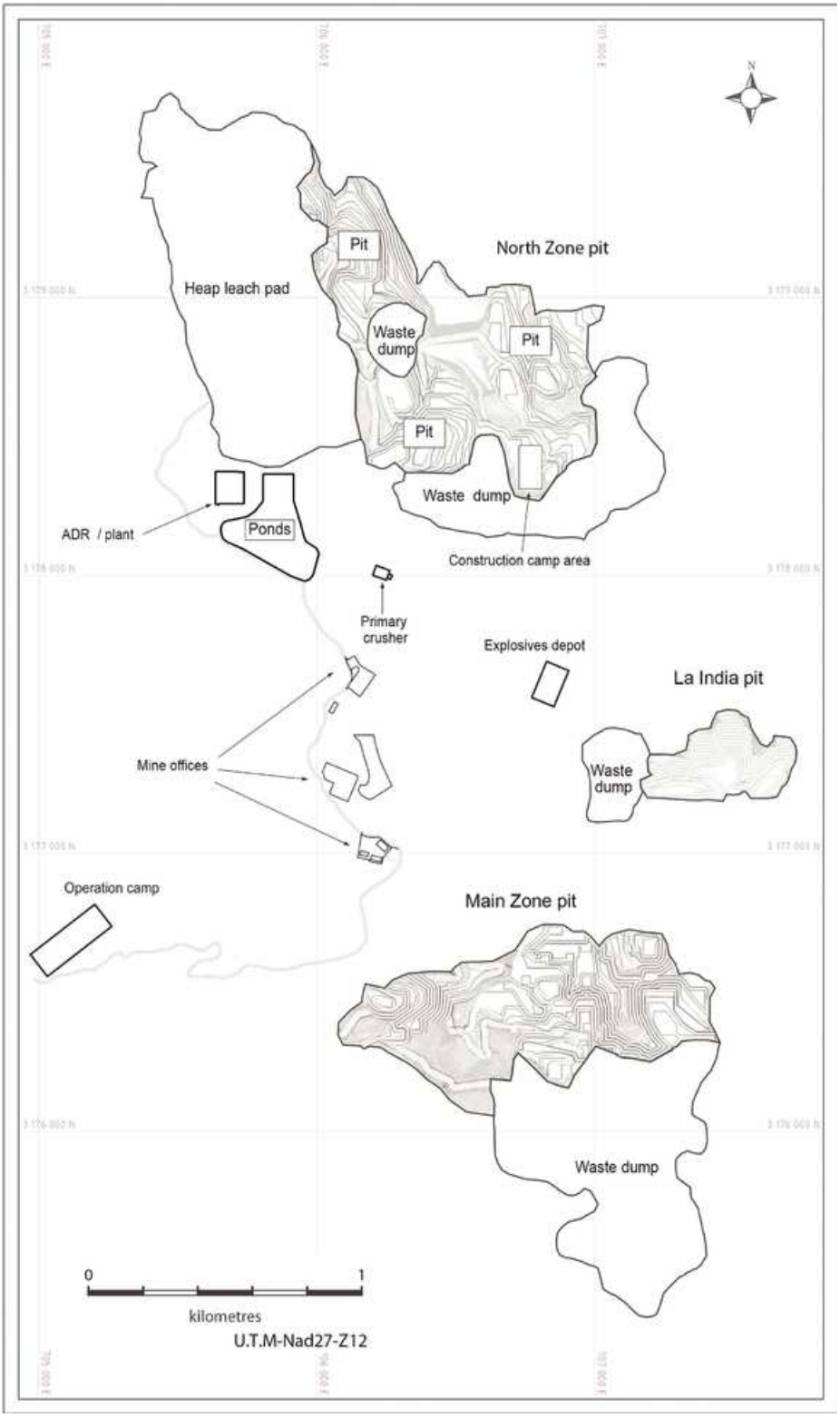
Operations at the La India mine will use traditional open pit mining techniques with bench heights of six metres with front end loaders, trucks, track drills and various support equipment. Based upon geotechnical evaluations, the final pit slopes will vary between 45 degrees and 50 degrees.

Surface Facilities

Current facilities at the La India mine project include an exploration camp and a construction camp. The power for the camps is supplied by diesel generators and water is supplied by a local spring and septic discharges are managed in their respective leach fields. Non-organic waste from the camp is disposed in the Matarachi Ejido landfill.

Construction of the mine began September 2012 and commercial production is expected the second quarter of 2014. The following surface plan details the ultimate mine layout showing ultimate pits and waste rock dump locations, roads, the leach pad and other infrastructure.

Surface Plan of the La India Mine Project (as at December 31, 2012)



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Surface facilities at the La India mine project include: a three-stage ore crushing facility; a 50 million tonne capacity lined heap leach pad with process ponds and pumping system; a carbon adsorption plant; a laboratory; a process plant shop; a mining equipment maintenance shop; a generated power station; surface power transmission lines and substations; a warehouse; administrative support offices; and camp facilities.

Environmental Matters

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

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

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

Capital Expenditures

Pre-production capital cost at La India is estimated at $157.6 million and the life of mine capital cost is expected to amount to $183.4 million. Capital expenditures at the La India mine project during 2012 were approximately $39.2 million and the Company expects capital expenditures to be approximately $92 million in 2013.

Development

Mining at La India is scheduled to begin in late 2013 and early 2014 to achieve commercial production in the second quarter of 2014.

Agreements & Licences

The mining concessions for the La India mine project and Tarachi are controlled by the Company by means of direct ownership and by 11 separate agreements whereby Agnico-Eagle can earn a 100% interest in certain concessions by making cash and share payments. Payment has been made in full for the claims that host most of the measured, indicated and inferred resources. Some concessions are subject to underlying net smelter royalties varying between 1% and 3%, some of which may be purchased by the Company which would result in net smelter royalties of up to 0.5% remaining.

For the Tarachi deposit, payments totalling $3.3 million and shares with value equivalent to $967,500 over an eight year period are required for the Company to earn a 100% interest in the relevant concessions. To date, $1 million has been paid toward these concessions. Some concessions are subject to underlying net smelter royalties varying between 1% and 3%, some of which may be purchased by the Company, which would result in net smelter royalties of up to 0.5% remaining.

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

At the Tarachi deposit, the surface rights in the project area are owned by the Matarachi Ejido and private parties. All measured, indicated and inferred project resources lie within privately owned or ejido possessed land. Surface access lease agreements have been executed with the property owners or possessors for all identified target areas. The existing agreements permit exploration activities only, further negotiation would be required for any future mine development at the Tarachi deposit.

Geology, Mineralization and Exploration

Geology and Mineralization

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

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

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

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

Exploration

Gold was discovered at the Mulatos deposit by the Spanish colonials in 1806, but indigenous peoples likely exploited the native-gold-bearing oxidized zone of the deposit prior to this. Small underground mines and prospects are present throughout the La Cruz and La Viruela areas, where modern exploration was conducted by New Golden Sceptre Minerals Ltd. and New Goliath Minerals Ltd. (late 1980s), Noranda Inc. (early 1990s) and San Fernando Mining Co. Ltd. (from 1993).

Grayd began to actively explore the project in 2004, including geologic mapping, geochemical rock chip sampling, airborne and ground geophysical surveys, photogrammetric topographic mapping, diamond drilling, reverse circulation drilling, baseline environmental studies and metallurgical testing. Newmont Mining Corp. funded the work between July 2005 and July 2006 and then declined to continue, retaining no interest in the property. The Tarachi deposit, located approximately 10 kilometres north of the La India mine project on the same property, was discovered in 2010.

From 2004 through February 7, 2011, Grayd completed 129 diamond drill holes (13,834 metres) and 560 reverse circulation drill holes (49,552 metres) at the La India mine project. In 2011, 13 diamond drill holes (1,119 metres) and 30 reverse circulation drill holes (2,728 metres) were drilled at the La India mine project and 25 diamond drill holes (5,400 metres) and 67 reverse circulation drill holes (16,144 metres) were drilled at the Tarachi deposit.

The Company expects to spend approximately $2.0 million on exploration at the La India mine project in 2013, which will include drilling the underlying sulphide extensions and the Viruela and Cerro de Oro areas.

From the acquisition of Grayd in November 2011 until December 31, 2012, the Company completed 246 diamond drill holes (19,268 metres) and 108 reverse circulation drill holes (10,460 metres) at the La India mine project, and 42 diamond drill holes (11,190 metres) and 25 reverse circulation drill holes (7,170 metres) at the Tarachi deposit.

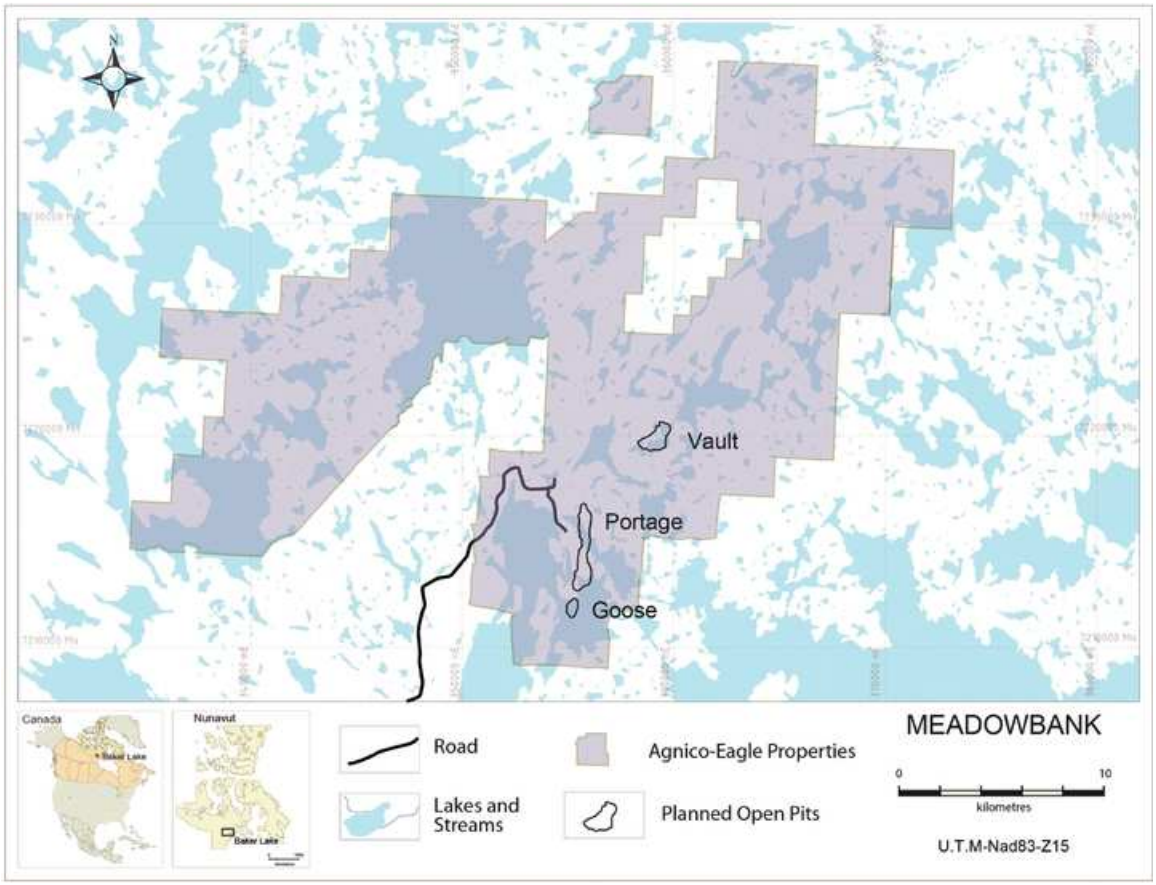
The Company expects to spend approximately $6.0 million on exploration at the Tarachi deposit in 2013.

Meadowbank Mine

The Meadowbank mine, which achieved commercial production in March 2010, is located in the Third Portage Lake area in the Kivalliq District of Nunavut in northern Canada, approximately 70 kilometres north of Baker Lake. At December 31, 2012, the Meadowbank mine was estimated to contain proven and probable mineral reserves of 2.3 million ounces of gold comprised of 25.3 million tonnes of ore grading 2.82 grams of gold per tonne. The Company acquired its 100% interest in the Meadowbank mine in 2007 as the result of the acquisition of Cumberland (see "– History and Development of the Company").

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

Location Map of the Meadowbank Mine (as at December 31, 2012)



The Meadowbank mine is held under ten Crown mining leases, three exploration concessions and 40 Crown mineral claims. The Crown mining leases, which cover the Portage, Goose and Goose South deposits, are administered under federal legislation. The mining leases, which have renewable ten-year terms, have no annual work commitments but are subject to annual rent fees that vary according to their renewal date. The mining leases cover approximately 7,400 hectares and expire in either 2016 or 2019. The production lease with the KIA is a surface lease covering 1,354 hectares and requires payment of C$127,800 annually. Production from subsurface lease areas is subject to a royalty of up to 14% of the adjusted net profits, as defined in the Territorial Mining Regulations. In order to conduct exploration on the Inuit-owned lands at Meadowbank, the Company must receive approval for an annual work proposal from the KIA, the body that holds the surface rights in the Kivalliq District and administers land use in the region through various boards. The Nunavut Water Board (the "NWB"), one such board, provided the recommendation to Aboriginal Affairs and Northern Development Canada to grant the Meadowbank mine's construction and operating licences in July 2008. The Company has obtained all of the approvals and licences required to build and operate the Meadowbank mine.

The three Meadowbank exploration concessions comprise approximately 23,126 hectares and are granted by Nunavut Tunngavik Inc., the corporation responsible for administering subsurface mineral rights on Inuit-owned lands in Nunavut. Exploration concessions cover the Vault deposit at Meadowbank and in 2013 will require annual rental fees of approximately C$92,924 and exploration expenditures of approximately C$696,930. During the exploration phase, the concessions can be held for up to 20 years and the concessions can be converted into production leases with annual fees of C$1 per hectare, but no annual work commitments. Production from the concessions is subject to a 12% net profits interest royalty from which annual deductions are limited to 85% of the gross revenue.

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

The 40 Crown mineral claims cover approximately 36,433 hectares at Meadowbank and are subject to land fees and work commitments. Land fees are payable only when work is filed. The most recent filing was in 2012, when approximately C$8,998 in land fees were paid and C$5,491,178 in assessment work was submitted.

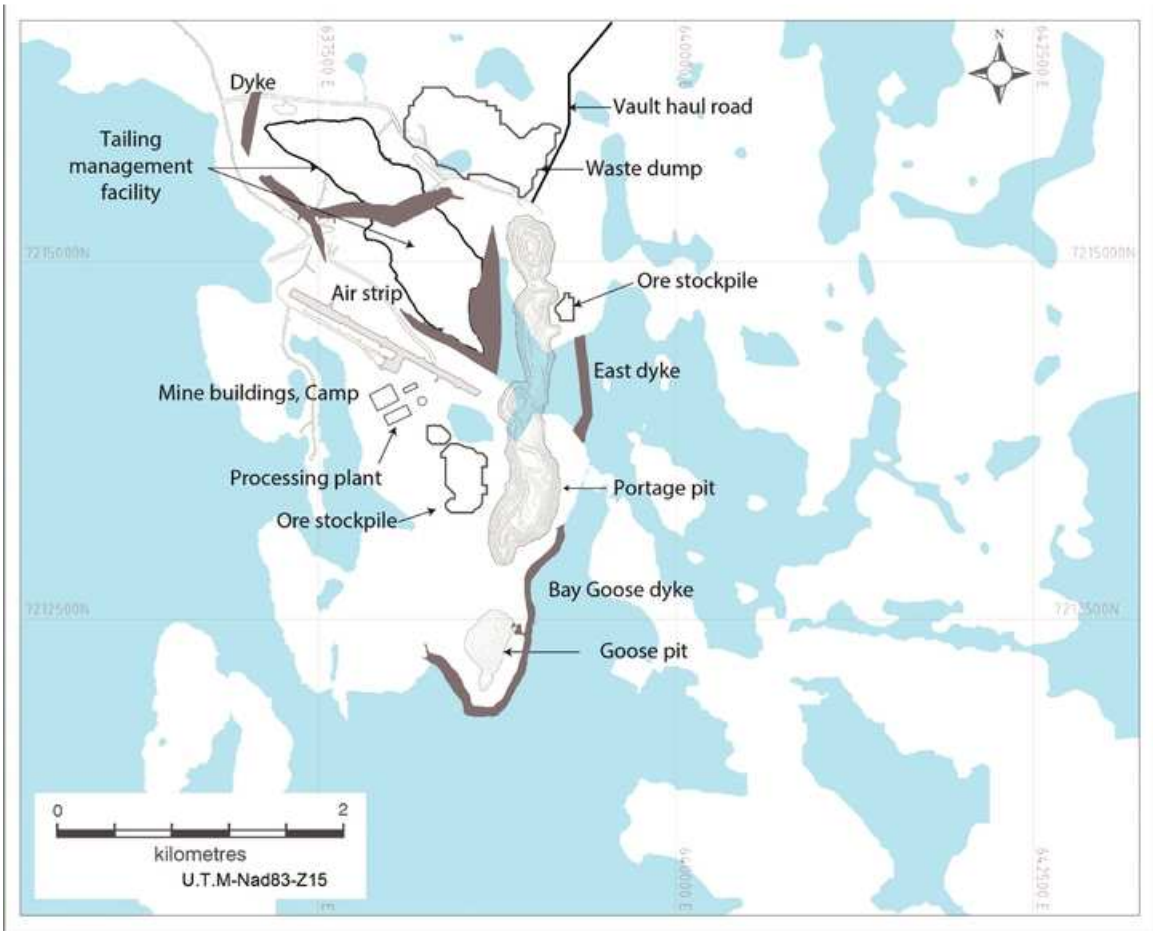
The Kivalliq region in which the Meadowbank mine is located has an arid arctic climate. The Meadowbank property is situated in an area characterized by low, rolling hills that are covered predominantly in heath tundra with numerous lakes and ponds. All of the open pit mines operate beneath the water level of adjacent lakes and use dykes to prevent water inflow. Elevation ranges from approximately 130 metres at lakeshores up to 200 metres on ridge crests. Operations at the Meadowbank mine are expected to be year-round with only minor weather-related interruptions to mining operations; however, these interruptions are not expected to affect ore availability for milling operations or other operating activities.

The Meadowbank mine is accessible from Baker Lake, located 70 kilometres to the south, over a 110-kilometre all-weather road completed in March 2008. Baker Lake provides 2.5 months of summer shipping access via Hudson Bay and year-round airport facilities. The Meadowbank mine also has a 1,100-metre long gravel airstrip, permitting access by air. The Company uses ocean transportation for fuel, equipment, bulk materials and supplies from Montreal, Quebec, (or Hudson Bay port facilities) via barges and ships into Baker Lake during the summer port access period that starts at the end of July in each year. Fuel and supplies are transported year-round to the site from Baker Lake by conventional tractor trailer units. Transportation for personnel and air cargo are provided on scheduled or chartered flights. The permanent bases for employees from which to service the Meadowbank mine are Val D'Or and Montreal in Quebec and the Kivalliq communities. Since February 2009, all chartered flights have landed directly at Meadowbank.

The Meadowbank mine achieved commercial production in March 2010 and produced 366,030 ounces of gold in 2012 at total cash costs per ounce of $913. In 2013, total cash costs at Meadowbank are expected to be approximately $1,000 per ounce.

In 2013, payable gold production at Meadowbank is expected to be approximately 362,172 ounces. The expected mine life is up to 2018.

Surface Plan of the Meadowbank Mine (as at December 31, 2012)



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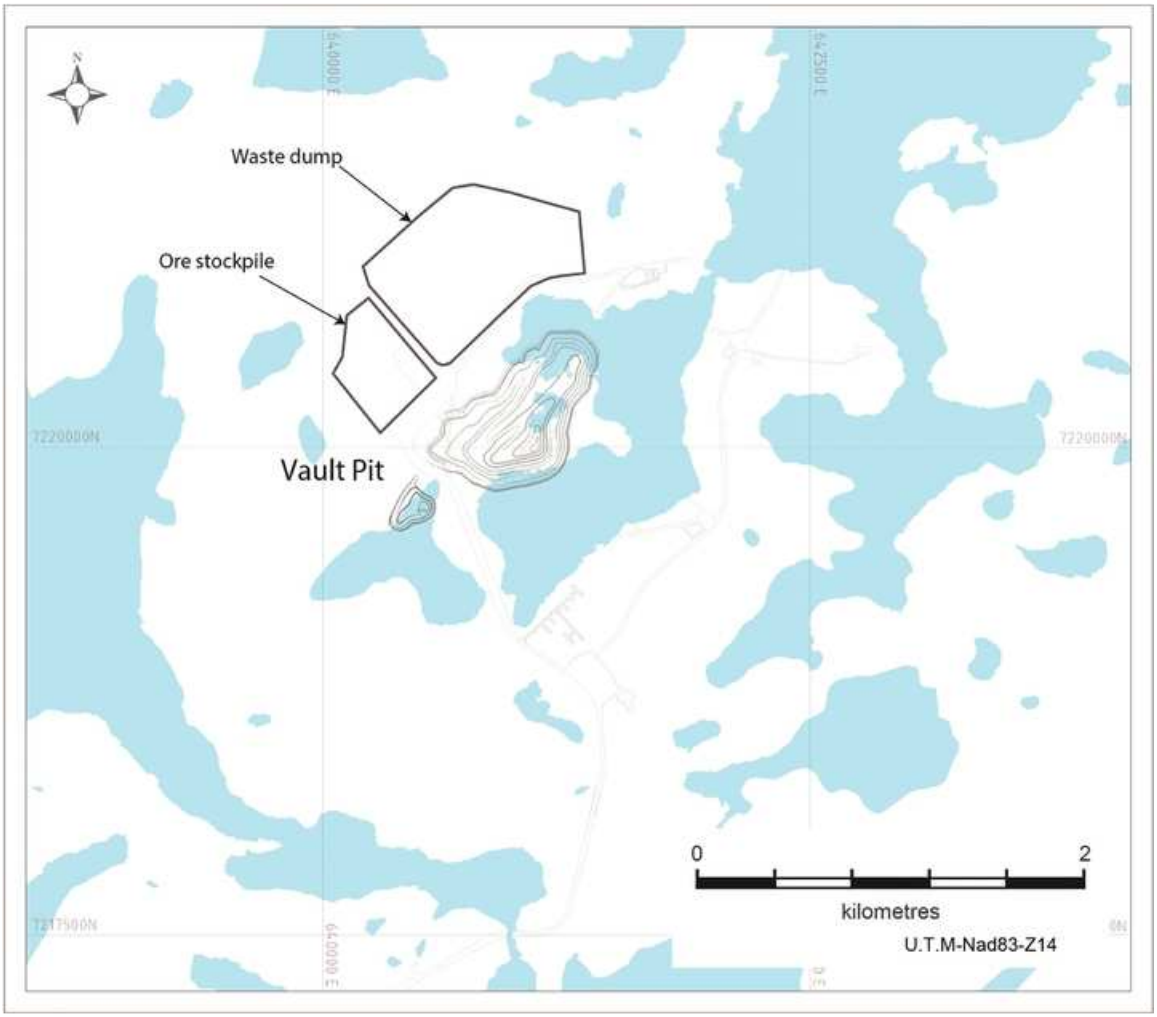
Surface Plan of the Vault Deposit (as at December 31, 2012)



Meadowbank has three major deposits that have sufficient drilling definition to sustain reserves: Portage, Goose and Vault. By the end of 2009, all of the camp infrastructure (dormitories and kitchen), a mill, a service building shop and generator buildings were built. All required aggregates used in the mining process are produced from waste material taken from the north end of the Portage pit. In 2008, a dewatering dyke was constructed in order to access the north half of the Portage pit in preparation for production in 2010. Construction of the Bay-Goose dyke, a major dewatering dyke required to access the southern portion of the Portage and the Goose pits, commenced in the summer of 2009 and was completed in the spring of 2011. Three tailings impoundment dykes, Saddle Dam 1, Saddle Dam 2 and Stormwater Dykes, were built in 2009 and 2010. Also, the first phase of the main tailings impoundment dyke, Central Dyke, was started in 2012 and will be in construction for the duration of the mine life. The eight-kilometre long access road to the Vault pit was started in 2011 and completed in 2012.

Mining Methods

Mining at the Meadowbank mine is done by open pit with trucks and excavators. The ore is extracted conventionally using drilling and blasting, then hauled by trucks to a primary gyratory crusher adjacent to the mill. The marginal-grade material (material grading under the cut-off grade at a gold price of $1,490 per ounce but which has the potential to increase the reserves at the end of the mine life if the metal prices justify its processing) is stockpiled separately. Also, low-grade material stockpiles (material that has been extracted but currently is lower than the mill feed grade) were created. This low-grade material is processed when the mining fronts cannot supply enough material to the mill. Waste rock is hauled to

one of two waste storages on the property, used for dyke construction or construction material or backfilled into the mined out area.

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

Surface Facilities

The accommodations complex at the Meadowbank mine consists of a permanent camp and a temporary camp to accommodate extra workers. The camp is supported with a sewage treatment, solid waste disposal and potable water plant. In 2008, the exploration group was relocated eight kilometres south of the minesite location to a separate camp with an 80-person capacity. A major fire in March 2011 destroyed the kitchen facilities at the Meadowbank mine. New kitchen facilities were built in the summer of 2011 and commissioned in December 2011.

Plant site facilities include a mill building, a maintenance mechanical shop building, a generator building, an assay lab and a heavy vehicle maintenance shop. A structure comprised of two separate crushers flank the main process complex. Power is supplied by an 29-megawatt diesel electric power generation plant with heat recovery and an onsite fuel storage (5.6 million litres) and distribution system. The mill-service-power complex is connected to the accommodations complex by enclosed corridors. In addition, the Company is building peripheral infrastructure including tailings and waste impoundment areas. In January 2012, the Company identified naturally occurring asbestos fibres in dust samples taken from the secondary crusher building at the Meadowbank mine and subsequently found small concentrations of fibres in the ore coming from certain areas of the open pit mines. The Company has instituted additional monitoring and an asbestos management program at the site to ensure that asbestos levels are within applicable territorial, regulatory and industry standards.

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 a 60-million litre capacity has been built next to the barge landing facility.

In 2013, new facilities will be built near the Vault deposit as a result of the remoteness of this pit (the Vault deposit is located approximately 8 kilometres from the mine complex). The new facilities will include a refuge, a storage area, a fuel farm, an electrical power generation plant and a water treatment plant.

The process design is based on a conventional gold plant flowsheet consisting of two-stage crushing, grinding, gravity concentration, cyanide leaching and gold recovery in a CIP circuit. The mill is designed for year-round operations with a design capacity of 9,800 tonnes per day. The overall gold recovery is projected to be approximately 92.8%, based on projections from metallurgical test work, with approximately 15% typically recovered in the gravity circuit.

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

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

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

Mineral Recoveries

Gold recoveries are expected to average 92.8% for all deposits. The different ore zones have slightly different grind sensitivities to gold recovery and, as such, different particle size distributions are recommended as target grinds in the

process. The use of a slightly coarser grind for the Vault ores will allow all three of the ore zones to be processed at a consistent process throughput.

During 2012, gold recovery averaged 93.91%. Approximately 3,820,000 tonnes of ore were processed, averaging 10,440 tonnes of ore per day with the mill operating 94.1% of available time. The following table sets out the metal recoveries for the 3,200,000 tonnes of ore extracted at the Meadowbank mine in 2012. Mill processing exceeded extraction from the mine in 2012; 346,000 tonnes came from the marginal stockpile and 274,000 tonnes from the low-grade stockpile.

	Head Grade	Overall Metal Recovery	Payable Production
Gold	3.18 g/t	93.91%	366,030 oz

Environmental Matters (including Inuit Impact and Benefit Agreement)

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

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

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

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

The Meadowbank mine consists of three gold-bearing deposits: Portage, Goose and Vault. A series of four dykes have been built to isolate the mining activities at the Portage and Goose deposits from neighbouring lakes. An additional dyke will be built in 2013 to isolate the mining activities at the Vault deposit. Waste rock from the Portage, Goose Island and Vault pits is primarily stored in the Portage and Vault rock storage facilities, and a portion of the waste is placed in the Portage Pit. The control strategy to minimize the onset of oxidation and the subsequent generation of acid mine drainage includes freeze control of the waste rock through permafrost encapsulation and capping with an insulating convective layer of neutralizing rock (ultramafic and non-acid generating volcanic rocks). The Vault rock storage facility does not require an insulating convective layer due to the non-acid generating nature of the rock in that area. Waste rock deposited in the Portage pit will be covered with water during the closure phase flooding of the pit which will prevent any acid generation. Because the site is underlain by about 450 metres of permafrost, the waste rock below the capping layer is expected to freeze, resulting in low (if any) rates of acid rock drainage generation in the long term.

Tailings are stored in the dewatered portion of the Second Portage Lake. The tailings are deposited on tailings beaches within a two cell tailings storage facility. A reclamation pond is located within the tailings storage facility. The control strategy to minimize water infiltration into the tailings storage facility and the migration of constituents out of the facility includes freeze control of the tailings through permafrost encapsulation and through comprehensive, engineered dyke

liners. A four-metre-thick dry cover of acid neutralizing ultramafic rock backfill will be placed over the tailings as an insulating convective layer to confine the permafrost active layer within relatively inert tailings materials.

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

Capital Expenditures/Development

A total of $86 million has been budgeted to be spent at the Meadowbank mine (excluding exploration) in 2013, including $55 million on dyke construction, $25.6 million on sustaining capital and equipment and $1.4 million on construction projects carried over from 2012. As well, $2.2 million has been budgeted to complete 11,500 metres of delineation drilling in the starter pit and an additional $0.8 million to complete 3,500 metres of diamond drilling in the Vault East deposit area in order to define additional resources. It is also expected that there will be 5,000 metres of diamond drilling representing $1 million to continue testing the goose underground structure below the ultimate pit. Regional exploration in the Meadowbank area has been budgeted at $1.8 million and will include 4,000 metres of exploration diamond drilling.

The Meadowbank mine started production in 2010. Total capital costs of construction incurred since the date of acquisition by the Company amounted to $1.1 billion as at December 31, 2012. The remaining mine life is expected to be five years.

Geology, Mineralization and Exploration

Geology

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

Three minable gold deposits – Goose, Portage and Vault – have been discovered along the 25-kilometre long Meadowbank gold trend, and the PDF deposit (a fourth deposit) has been outlined on the northeast gold trend. These known gold resources are within 225 metres of the surface, making the project amenable to open pit mining.

Mineralization

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

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

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

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

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

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

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

Exploration

Grassroots exploration in the project area began as early as 1980. Several companies conducted various types of work between 1980 and 2007. Throughout these years, six deposits were the main focus of exploration: Portage, Cannu, Bay Zone, Goose, Vault and PDF. Over time, the Cannu, Bay Zone and Portage deposits were combined into one mineable deposit referred to as Portage. Exploration has extended the Goose Island deposit southward, adding the Goose South and Gosling zones.

In 2009, the mine exploration group took over the pit and adjacent areas. Three goals were targeted: exploration drilling, resource conversion and waste pad condemnation.

In 2010, 102 holes totalling 37,928 metres were drilled. The focus of the exploration campaign was testing the underground potential of the Goose deposit, resource conversions at the Vault deposit and on the south continuity of the Portage and Goose deposits. On the Goose underground deposit, a total of 23 holes for 11,145 metres were drilled from 200 to 750 metres in depth. These holes contributed to increase the continuity and understanding of the mineralization. The drilling was predominantly to expand the Goose deposit at depth and towards the south, as well as to conduct infill drilling in areas where large gaps occurred between auriferous intersections. The program was successful in expanding the Goose deposit at depth and towards the south.

On the Vault deposit, a total of 39 holes for 5,943 metres were drilled from 25 to 200 metres in depth during 2010. These holes were aimed at converting resources close to the pit shell and also to extending resources to the south-west continuity towards the Tern Lake porphyry.

On the southern portion of the Portage deposit, a total of 18 holes for 8,070 metres were drilled from 50 to 250 metres in depth during 2010, with the aim of converting resources directly south of the Portage pit and other inferred occurrences within a close proximity to the pit.

On the Goose south trend, a total of 13 holes for 7,320 metres were drilled from 150 to 250 metres in depth during 2010. These holes were aimed at following the south trend of the Portage Goose iron formation.

In 2011, 284 diamond drill holes totalling 24,229 metres were drilled. The exploration program had four goals: exploring the southern trend of the Goose deposit at depth; following-up on the regional results of testing on the Farwest Iron Formation and the geophysics of the Tern Lake porphyry completed in 2010; continuing resource conversion work initiated on the Vault deposit in 2010 and extending resources on the south west part of deposit; and a resources conversion with a definition program in Portage pit.

The definition program on the Portage pit was conducted in phases from May to December 2011 and represented 165 holes totalling 11,431 metres of diamond drilling. In addition, reverse circulation drilling was used to drill over 42 holes totalling 1,074 metres. This method is expected to reduce the cost of drilling.

On the Goose South trend, 6 holes totalling 2,382 metres were drilled during 2011. On the Farwest Iron Formation, 7 holes for a total of 2,721 metres were drilled along the trend and verified the potential of the west contact with the granitic mass. On the Tern Lake porphyry, 19 holes totalling 931 metres were drilled.

At the Vault pit during 2011, 19 holes were drilled for a total of 1,250 metres, 43 holes totalling 3,545 metres were drilled in Vault South and 25 holes totalling 1,969 metres were drilled in Vault East.

In 2012, 517 diamond and reverse circulation drill holes totalling 28,052 metres were drilled. Exploration focused on delineation and infill drilling on the Portage and Goose pits and resource conversion, definition and condemnation drilling at Vault. In addition, two deep exploration holes were drilled to follow up on earlier testing of the north and south extension of the Portage main structure.

The delineation drilling program on the Portage pit was conducted throughout the year with a break between June and September while waiting for the reverse circulation drill to arrive by sealift. A total of 134 reverse circulation holes in 3,254 metres and 205 diamond drill holes in 11,304 metres were drilled in the north pit and south pit, including the Pushback area. The drilling program resulted in the completion of a 25x25 metre grid over the entire pit and the commencement of a 12.5x12.5 metre infill grid.

At the Goose Island pit, 1,902 metres in 7 reverse circulation holes and 3,347 metres in 74 diamond drill holes were drilled in 2012. The diamond drill holes were drilled in January and February, primarily to complete the 25x25 metre delineation grid in the pit. The reverse circulation holes were drilled in selected areas on a 12.5x12.5 metre grid in October and November 2012.

At the Vault project, 3,441 metres in 70 diamond drill holes were drilled between mid-February and early April 2012 to partially complete the delineation program (25x25 metre grid) within the starter pit. Additional drilling to complete this program is planned for 2013. A condemnation drilling program for the waste storage facility was also completed by early April 2012, with 3,777 metres drilled in 25 holes.

Drilling carried out during the period of 2009 to 2012 returned significant results on the Goose underground and Vault deposits. At the Goose deposit, the increase in indicated mineral resources comes from a confirmation of continuity towards the south and at depth. At the Vault deposit, the increase in mineral reserves is the result of converting resources to reserves at depth along the east pit wall. Positive drill results show continuity of mineralization toward the southwest where reserves have been defined in what is currently called the Phaser pit.

Meliadine Project

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

The Company acquired its 100% interest in the Meliadine project through its acquisition of Comaplex in July 2010 (see "– History and Development of the Company").

The mineral reserves and resources of the Meliadine project are estimated at December 31, 2012 to contain proven and probable mineral reserves of 3.0 million ounces of gold in 13.3 million tonnes of ore grading 7.0 grams per tonne. In addition, the project had 17.2 million tonnes of indicated mineral resources grading 3.9 grams of gold per tonne and 14.8 million tonnes of inferred mineral resources grading 6.2 grams of gold per tonne at December 31, 2012.

The Meliadine property is a large, almost entirely contiguous land package that is nearly 80 kilometres long. It consists of 65,499 hectares of mineral rights, of which 62,069 hectares are held under the Canada Mining Regulations and administered by the Aboriginal Affairs and Northern Development Canada and referred to as Crown Land. The Crown Land is made up of mining claims covering 10,783 hectares and mineral leases covering 51,286 hectares. There are also 3,430 hectares of subsurface Nunavut Tunngavik Inc. concessions administered by a division of the Nunavut Territorial government. In 2012, C$126,734 was paid to Aboriginal Affairs and Northern Development Canada for the mining lease; Nunavut Tunngavik Inc. requires annual rental fees of C$13,721 and exploration expenditures of C$102,909.

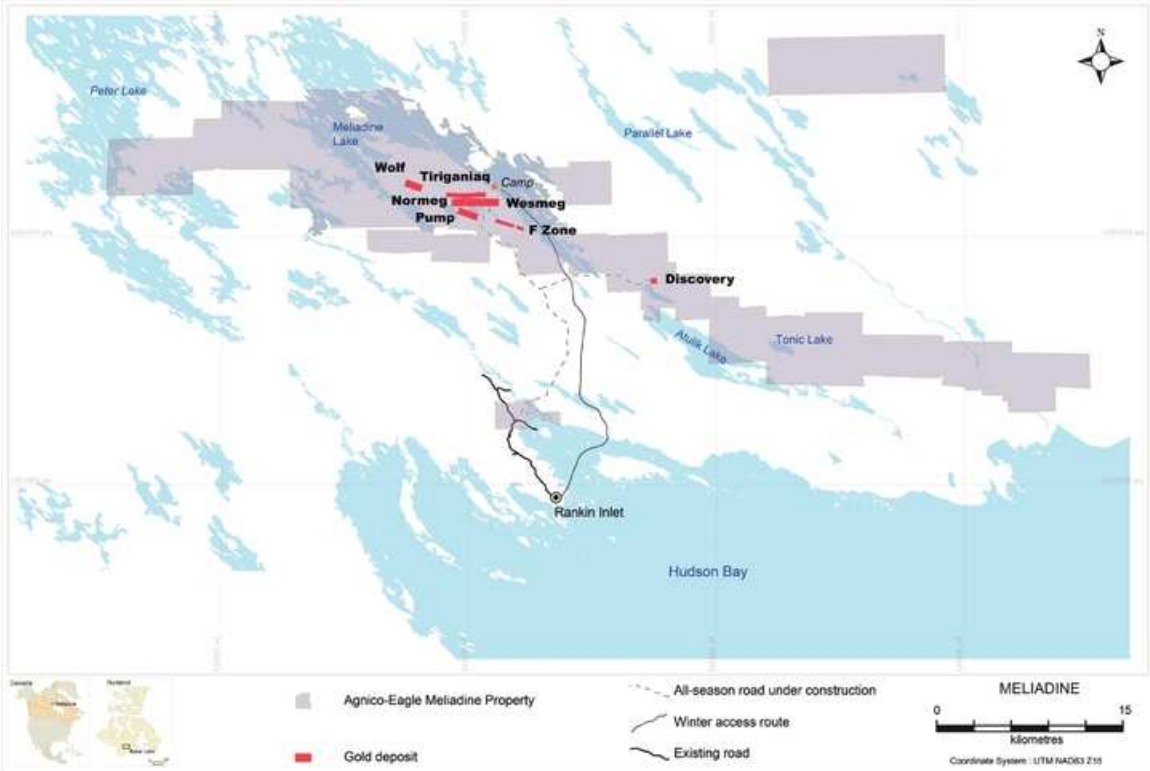
The Kivalliq region has an arid arctic climate. The Meliadine property is mainly covered by glacial overburden with the presence of deep-seated permafrost. The property is about 60 metres above sea level in low-lying topography with numerous lakes. Surface waters are usually frozen by early October and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

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

Personnel, perishables and lighter goods arrive at the Rankin Inlet regional airport by commercial or charter airline, from which they can be flown to the property by chartered helicopter or delivered by tracked vehicles by a winter-road from Rankin Inlet directly to the Meliadine project exploration camp from January to mid-May. In 2011, the Company submitted an application to the NIRB and other regulatory agencies proposing the building of a 23.8-kilometre-long all-weather gravel road (including three bridges) linking Rankin Inlet with the project site to support ongoing exploration activities at the Meliadine project property. Approval from the NIRB on the application was received in February 2012 and a water license from the NWB was received in March 2012. Construction of the road began in March 2012. As at December 31, 2012, 11.5 kilometres of the road and all three of the bridges had been completed. The construction of the road is expected to be completed by mid-2013.

Exploration personnel for the Meliadine project are mainly sourced from other parts of Canada on a fly-in/fly-out rotation from Val d'Or, Quebec, and Winnipeg, Manitoba, although there is preferential employment of qualified people from the Kivalliq region. The hamlet of Rankin Inlet has developed a strong taskforce of entrepreneurs who provide a wide variety of services, such as freight expediting, equipment supply and outfitting.

Location Map of the Meliadine Project (as at December 31, 2012)



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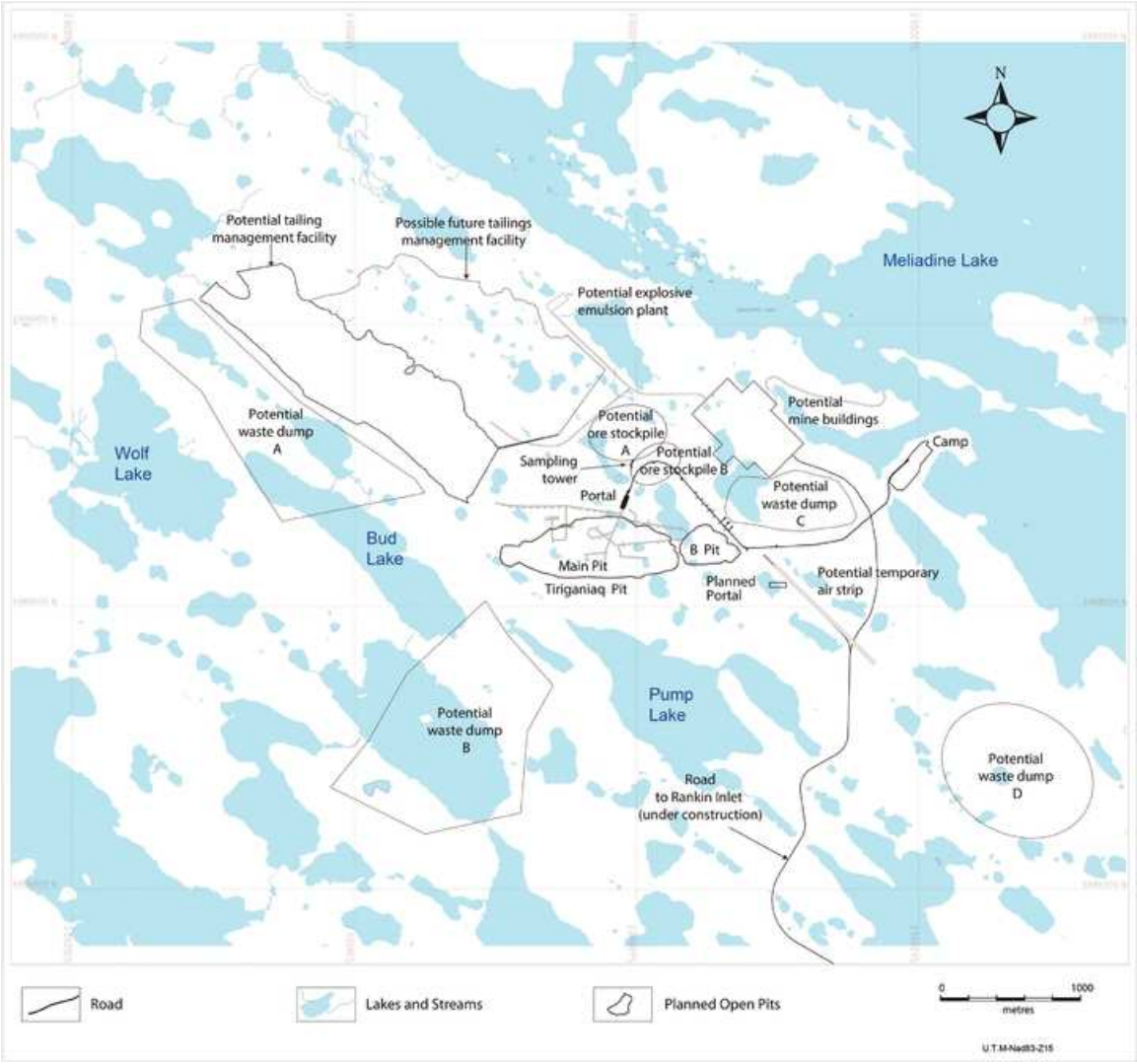
Mining and Milling Facilities

Surface Plan of the Meliadine Project (as at December 31, 2012)



Facilities

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

As described above, construction of an all-weather access road linking Rankin Inlet to the Meliadine site began in March 2012 and is expected to be completed by mid-2013.

Power is currently generated using diesel generators for the Meliadine exploration camp on an as-required basis. Potable water for the Meliadine project camp is pumped from Meliadine Lake and water for the previous underground operations and surface drill programs is pumped from Pump Lake. The current water licence allows for a maximum daily water use of 290 cubic metres on the Meliadine West licence and 299 cubic metres on the Meliadine East licence.

The Meliadine project exploration camp has an incinerator on site to burn all flammable materials, such as camp and food wastes. Plastics and metal objects, along with incinerator ash, are set aside for transport to be disposed of in the Rankin Inlet landfill. All hazardous and liquid wastes are held at the Meliadine project site for transport to a waste management company in southern Canada.

Sewage has been treated through a Biodisk treatment system since the summer of 2010. Run-off water is contained in the primary water containment area and released only when sampling results meet acceptable water quality standards. Routine water sampling has been conducted since the mid-1990s and reported on a monthly basis to the authorities.

The Meliadine East camp on Atulik Lake was decommissioned during the summer of 2010, with completion in the winter of 2010 and 2011. The core shack and storage building remain at the former camp site.

An underground portal allowing access to an exploration decline was built at the Tiriganiaq deposit in 2007 and 2008 in order to extract a bulk sample for study purposes. A waste rock and ore storage pad was generated during excavation of the decline and a sampling tower was installed for processing the bulk sample. There is a two-kilometre-long road between the Meliadine project exploration camp and the portal site. Another underground bulk sample of 4,600 tonnes of ore was taken from the Tiriganiaq deposit via this portal in 2011. The results confirmed the resource estimation model that has been developed for the two principal zones (Zones 1000 and 1100) at Tiriganiaq, and in fact indicated approximately 6% more gold than had been predicted by the block model for these areas. The 2011 bulk sample program also confirmed the previous assessment of the Company's block model in terms of grade continuity, consistency and distribution, and the evaluation of related mining properties through geological mapping, underground chip-, channel- and muck-sampling, and geotechnical observations.

Environmental Matters (including IIBA)

Land and environmental management in the region of the Meliadine project is generally governed by the provisions of the Land Claims Agreement. Pursuant to the Land Claims Agreement, land use leases must be obtained from the KIA. The Meliadine project has been granted a commercial lease for exploration and underground development activity, a prospecting and land use lease for exploration and development activities, an exploration land use lease for exploration and drilling on the Inuit-owned lands of Meliadine East and a parcel drilling permit for drilling activity on Inuit-owned lands. A number of right-of-way leases covering road access to the Meliadine project property and esker quarrying on the Inuit-owned lands were also granted by the KIA.

Pursuant to the Land Claims Agreement, an exploration water licence and a bulk sample water licence were granted by the NWB in March 2012. A project certificate from the NIRB is the next approval required for the Meliadine project. In connection therewith, the NIRB issued guidelines to the Company in February 2012 for the preparation of an environmental impact statement ("EIS") for the Meliadine project. The Company submitted a draft EIS to the NIRB for review in January 2013. The Company received comments from the NIRB regarding the draft EIS and expects to resubmit the draft EIS to the NIRB in April 2013. Upon completion of a public and technical review, a final EIS will be submitted to the NIRB and the Company expects to be granted a project certificate in mid-2014.

Other operating permits and licences can only be issued after a project certificate is received from the NIRB. An IIBA, an Inuit Water Compensation Agreement and a Production Lease will also need to be negotiated between the Company and the KIA. Negotiations regarding an IIBA between the Company and KIA commenced in January 2012.

Geology, Mineralization and Exploration

Geology and Mineralization

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

The Pyke Fault appears to control gold mineralization on the Meliadine project property. At the southern edge of the fault is a series of oxide iron formations that host the seven Meliadine project deposits currently known. The deposits consist of multiple lodes of mesothermal quartz-vein stockworks, laminated veins and sulphidized iron formation mineralization with strike lengths of up to three kilometres. The Upper Oxide iron formation hosts the Tiriganiaq and Wolf North zones. The two Lower Lean iron formations contain the F Zone, Pump, Wolf Main and Wesmeg deposits. The Normeg zone was discovered in 2011 on the eastern end of the Wesmeg zone, near Tiriganiaq. The Wolf (North and Main), F Zone, Pump and Wesmeg/Normeg deposits are all within five kilometres of Tiriganiaq. The Discovery deposit is 17 kilometres east

southeast of Tiriganiaq and is hosted by the Upper Oxide iron formation. Each of these deposits has mineralization within 120 metres of surface, making them potentially mineable by open pit methods. They also have deeper ore that could potentially be mined with underground methods, which is being examined in the feasibility study.

Exploration

The Meliadine property was explored for gold from 1987 through 2010 at a cost of C$166.8 million by former owners Asamera Inc., Rio Algom Limited, Comaplex, Cumberland and Western Mining International, as well as the Company and numerous consultants. For many years the property was divided into two halves – Meliadine East and Meliadine West – which were consolidated into the Meliadine property in December 2009.

Lack of outcropping bedrock in the area resulted in the use of high-density magnetic surveying followed by diamond drilling as the most common and successful exploration strategy on the property. This included 193,318 metres of drilling in 682 holes from 1993 through 2010, as well as geophysical surveying, prospecting and sampling. In 2007 and 2008, there was an underground exploration and bulk sample program on the Tiriganiaq deposit. This was followed by a preliminary assessment for the property in 2009, which indicated the potential of the project to support a mining operation.

In 2010, there were 128 exploration drill holes (32,000 metres) at the Meliadine project, of which 53% were drilled by the Company after acquiring the property in July 2010. The Company spent $10 million on exploration from July through December 2010.

The Company initiated an exploration and development program in the summer of 2010. Approximately 300,000 metres of drilling was completed by the end of 2012 to convert and extend the known mineral resources to reserves. This drilling was primarily carried out at Tiriganiaq, but also took place at other known mineralized zones. At the end of 2012, the Company had spent $150.2 million, broken down as follows: $45.7 million on exploration diamond drilling, $30.7 million on construction and equipment purchases (camp and road), $30.4 million on site services, transportation and accommodation, $11.6 million on environmental expenses and permitting, $11.3 million on underground work and equipment purchases, $11.0 million on administration and technical services, $6.5 million on a bulk sample and $3.0 million on studies. In 2013, a total of $91 million is budgeted on the project, including $15 million for a feasibility study, $6 million for permitting activities, $13 million for site infrastructure, $13 million for exploration ramp development, $15.9 million for camp operations and logisitics and $13.8 million for 55,000 metres of conversion and exploration drilling within the known deposits. An additional $10.4 million is budgeted for 35,000 metres of regional exploration drilling outside of the known deposits.

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

Regional Exploration Activities

During 2012, the Company continued to actively explore in Quebec, Ontario, Nunavut, Nevada, Finland, Sweden, Mexico and Argentina. The Canadian exploration activities were focused on the Goldex, Wyoming, Maritime and Lapa properties in Quebec, as well as on the Meadowbank property in Nunavut where activities were conducted both within and outside the mining lease and the Meliadine project, also in Nunavut. In the United States, exploration activities during 2012 were concentrated on the West Pequop and Summit projects located in northeast Nevada and the Rattlesnake project located in Wyoming. At the LaRonde, Lapa, Pinos Altos and Kittila mines, the Company continued exploration programs around the mines. Most of the exploration budget was spent on drilling programs near the mine infrastructure along previously recognized gold trends.

At the end of 2012, the Company's land holdings in Canada consisted of 69 projects comprised of 2,748 mineral titles covering an aggregate of 220,060 hectares. Land holdings in the United States consisted of four properties comprised of 2,620 mineral titles covering an aggregate of 21,585 hectares. Land holdings in Finland consisted of three groups of properties comprised of 289 mineral titles covering an aggregate of 25,654 hectares. Land holdings in Sweden consisted of one project comprised of seven mineral titles covering an aggregate of 8,957 hectares. Land holdings in Mexico consisted of eight projects comprised of 116 mining concession titles covering an aggregate of 129,258 hectares. Land holdings in Argentina consisted of one project with two mineral titles covering an aggregate of 2,691 hectares.

The total amount spent on regional exploration in 2012 was $76.8 million, which included drilling 860 holes for an aggregate of approximately 237 kilometres. The budget for regional exploration expenditures in 2013 is approximately $52.1 million, including approximately 142.8 kilometres of drilling.

Mineral Reserves and Mineral Resources

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

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

Cautionary Note to Investors Concerning Estimates of Inferred Mineral Resources

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

Information on Mineral Reserves and Mineral Resources of the Company

The preparation of the information set out below with respect to the mineral reserves at the LaRonde, Lapa, Kittila, Pinos Altos and Meadowbank mines, the Goldex and La India mine projects and the Meliadine and Bousquet projects has been supervised by Daniel Doucet, P.Eng., the Corporate Director, Reserve Development of the Company, a "qualified person" as that term is defined in NI 43-101. The Company's mineral reserves estimate was derived from internally generated data or geology reports. All of the Company's reserve and resource estimates have been audited by independent consultants.

The criteria set out in NI 43-101 for reserve definitions and guidelines for classification of mineral reserves are similar to those used by Guide 7. However, the definitions in NI 43-101 differ in certain respects from those under Guide 7. Under Guide 7, among other things, a mineral reserve estimate must have a "final" or "bankable" feasibility study. Guide 7 also requires the use of commodity prices that reflect current economic conditions at the time of reserve determination, which Staff of the SEC has interpreted to mean historic three-year average prices. In addition to the differences noted above, Guide 7 does not recognize mineral resources.

The assumptions used for the 2012 mineral reserves and resources estimates for the Lapa, Goldex, Meadowbank, Meliadine and Creston Mascota properties reported by the Company in this Form 20-F were based on three-year average prices for the period ending December 31, 2012 of $1,490 per ounce of gold, $29.00 per ounce of silver, $0.95 per pound of zinc, $3.67 per pound of copper, $1.00 per pound of lead and exchange rates of C$1.00 per $1.00, 12.75 Mexican pesos per $1.00 and $1.34 per €1.00. The assumptions used for the 2012 mineral reserves and resources estimates for the LaRonde, Kittila, Pinos Altos, La India and Tarachi properties reported by the Company in this Form 20-F used more conservative metal price assumptions of $1,345 per ounce of gold, $25.00 per ounce of silver, $0.95 per pound of zinc, $3.49 per pound of copper, $0.99 per pound of lead and exchange rates of C$1.00 per $1.00, 13.00 Mexican pesos per $1.00 and $1.30 per €1.00. The assumptions used for the 2011 mineral reserves and resources estimate reported by the Company in this Form 20-F were based on three-year average prices for the period ending December 31, 2011 of $1,255 per ounce of gold, $23.00 per ounce of silver, $0.91 per pound of zinc, $3.25 per pound of copper, $0.95 per pound of lead and exchange rates of C$1.05 per $1.00, 12.86 Mexican pesos per $1.00 and $1.37 per €1.00. The assumptions used for the 2010 mineral reserves and resources estimate reported by the Company in this Form 20-F were based on three-year average prices for the period ending December 31, 2010 of $1,024 per ounce gold, $16.62 per ounce silver, $0.86 per pound zinc, $2.97 per pound copper, $0.90 per pound lead and exchange rates of C$1.08 per $1.00, 12.43 Mexican pesos per $1.00 and $1.40 per €1.00. Other assumptions used for estimating 2011 and 2010 mineral reserve and resource information may be found in the Company's annual filings in respect of the years ended December 31, 2011 and December 31, 2010, respectively.

Set out below are the reserve estimates as of December 31, 2012, as calculated in accordance with NI 43-101 and Guide 7, respectively (tonnages and contained gold quantities are rounded to the nearest thousand):

	National Instrument 43-101			Industry Guide No. 7		
Property	**Tonnes**	**Gold Grade (g/t)**	**Contained Gold (oz)**	**Tonnes**	**Gold Grade (g/t)**	**Contained Gold (oz)**
Proven Reserves						
LaRonde mine (underground)	6,323,000	2.96	602,000	6,323,000	2.96	602,000
Lapa mine (underground)	1,129,000	6.25	227,000	1,129,000	6.25	227,000
Goldex mine project (underground)	59,000	1.70	3,000	59,000	1.70	3,000
Kittila mine (open pit)	272,000	4.30	38,000	272,000	4.30	38,000
Kittila mine (underground)	1,189,000	4.66	178,000	1,189,000	4.66	178,000
Kittila mine total proven	1,461,000	4.59	216,000	1,461,000	4.59	216,000
Pinos Altos mine (open pit)	457,000	0.93	14,000	457,000	0.93	14,000
Pinos Altos mine (underground)	2,610,000	2.82	237,000	2,610,000	2.82	237,000
Pinos Altos mine total proven	3,067,000	2.54	250,000	3,067,000	2.54	250,000
Meadowbank mine (open pit)	1,764,000	1.56	88,000	1,764,000	1.56	88,000
Meliadine project (open pit)	34,000	7.31	8,000	34,000	7.31	8,000
Total Proven Reserves	**13,836,000**	**3.13**	**1,394,000**	**13,836,000**	**3.13**	**1,394,000**
Probable Reserves						
LaRonde mine (underground)	22,462,000	4.99	3,604,000	22,462,000	4.99	3,604,000
Bousquet (open pit)	2,943,000	1.88	178,000	2,943,000	1.88	178,000
Lapa mine (underground)	939,000	5.58	168,000	939,000	5.58	168,000
Goldex mine project (underground)	6,936,000	1.55	346,000	6,936,000	1.55	346,000
Kittila mine (open pit)	182,000	3.51	21,000	182,000	3.51	21,000
Kittila mine (underground)	31,480,000	4.49	4,547,000	31,480,000	4.49	4,547,000
Kittila mine total probable	31,662,000	4.49	4,567,000	31,662,000	4.49	4,567,000
Pinos Altos mine (open pit)	15,692,000	1.75	884,000	15,692,000	1.75	884,000
Pinos Altos mine (underground)	19,382,000	2.54	1,580,000	19,382,000	2.54	1,580,000
Pinos Altos mine total probable	35,074,000	2.18	2,464,000	35,074,000	2.18	2,464,000
La India mine project (open pit)	33,457,000	0.72	776,000	33,457,000	0.72	776,000
Meadowbank mine (open pit)	23,560,000	2.91	2,206,000	23,560,000	2.91	2,206,000
Meliadine project (open pit)	5,172,000	5.85	973,000	5,172,000	5.85	973,000
Meliadine project (underground)	8,094,000	7.71	2,006,000	8,094,000	7.71	2,006,000
Meliadine project total probable	13,266,000	6.98	2,979,000	13,266,000	6.98	2,979,000
Total Probable Reserves	**170,300,000**	**3.16**	**17,286,000**	**170,300,000**	**3.16**	**17,286,000**
Total Proven and Probable Reserves	**184,136,000**	**3.16**	**18,681,000**	**184,136,000**	**3.16**	**18,681,000**

In the following tables setting out mineral reserve information about the Company's mineral projects, tonnage information is rounded to the nearest thousand tonnes and the total contained gold ounces stated do not include equivalent gold ounces for byproduct metals contained in the mineral reserve. For all reserves and resources other than inferred mineral resources, the reported metal grades in the estimates reflect losses in the recovery process, that is, the metallurgical losses associated with processing the extracted ore. The mineral reserve and mineral resource figures presented in this Form 20-F 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.

LaRonde Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2012	**2011**	**2010**
Gold-Rich Orebody			
Proven mineral reserves – tonnes	5,300,000	4,100,000	3,200,000
Average grade – gold grams per tonne	3.30	3.10	3.07
Probable mineral reserves – tonnes	21,800,000	26,700,000	27,900,000
Average grade – gold grams per tonne	5.11	4.91	4.90
Gold-Poor Orebody			
Proven mineral reserves – tonnes	1,000,000	1,200,000	1,600,000
Average grade – gold grams per tonne	1.23	0.97	0.95
Probable mineral reserves – tonnes	700,000	1,200,000	2,000,000
Average grade – gold grams per tonne	1.11	1.22	1.01
Total proven and probable mineral reserves – tonnes	**28,800,000**	**33,200,000**	**34,700,000**
Average grade – gold grams per tonne	**4.54**	**4.40**	**4.32**
Total contained gold ounces	**4,206,000**	**4,700,000**	**4,818,000**

Notes:

(1) The 2012 proven and probable mineral reserves set out in the table above are based on a net smelter return cut-off value of the ore that varies between C$88 per tonne and C$118 per tonne depending on the deposit. The Company's historical metallurgical recovery rates at the LaRonde mine from January 1, 2004 to December 31, 2012 averaged 90.7% for gold, 87.0% for silver, 81.6% for zinc and 86.4% for copper. The historical metallurgical recovery rate for lead from January 1, 2008 to December 31, 2012 was 15.4%. The Company estimates that a 10% change in the gold price would result in an approximate 0.9% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2012, the LaRonde mine contained indicated mineral resources of 5,432,000 tonnes grading 1.88 grams of gold per tonne and inferred mineral resources of 11,887,000 tonnes grading 3.73 grams of gold per tonne.

(3) The following table shows the reconciliation of mineral reserves (in nearest thousand tonnes) at the LaRonde mine by category at December 31, 2012 with those at December 31, 2011. Revision means additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2012.

	Proven	**Probable**	**Total**
December 31, 2011	5,331	27,901	33,232
Processed in 2012	2,359	–	2,359
Revision	3,351	(5,439)	(2,087)
December 31, 2012	**6,323**	**22,462**	**28,786**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, parameters and methods and other factors that may materially affect scientific and technical information presented in this Form 20-F relating to the LaRonde mine may be found in the Technical Report on the 2005 LaRonde Mineral Resource & Mineral Reserve Estimate filed with Canadian securities regulatory authorities on the System for Electronic Document Analysis and Retrieval ("SEDAR") on March 23, 2005.

(5) At December 31, 2012, the Bousquet project contained probable mineral reserves of 2,943,000 tonnes grading 1.88 grams of gold per tonne. In addition, the Bousquet project contained indicated mineral resources of 9,805,000 tonnes grading 2.44 grams of gold per tonne and inferred mineral resources of 4,567,000 tonnes grading 4.04 grams of gold per tonne.

Lapa Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2012	**2011**	**2010**
Gold			
Proven mineral reserves – tonnes	1,129,000	1,044,000	1,122,000
Average grade – gold grams per tonne	6.25	6.45	7.24
Probable mineral reserves – tonnes	939,000	1,340,000	1,709,000
Average grade – gold grams per tonne	5.58	6.61	7.56
Total proven and probable mineral reserves – tonnes	**2,068,000**	**2,384,000**	**2,831,000**
Average grade – gold grams per tonne	**5.95**	**6.54**	**7.43**
Total contained gold ounces	**395,000**	**501,000**	**677,000**

Notes:

(1) The 2012 mineral reserve estimates were calculated using an assumed metallurgical gold recovery of 71% and a cut-off grade of 3.9 grams of gold per tonne, and the resource estimates were calculated using an assumed metallurgical gold recovery of 75% and a cut-off grade of 2.8 grams of gold per tonne. The operating cost per tonne estimate for the Lapa mine in 2012 was C$131.71. The Company estimates that a 10% change in the gold price would result in an approximate 12% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2012, the Lapa mine contained indicated mineral resources of 1,118,000 tonnes grading 4.08 grams of gold per tonne and inferred mineral resources of 934,000 tonnes grading 6.69 grams of gold per tonne.

(3) The following table shows the reconciliation of mineral reserves (in nearest thousand tonnes) at the Lapa mine by category at December 31, 2012 with those at December 31, 2011. Revision means additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2012.

	Proven	**Probable**	**Total**
December 31, 2011	1,044	1,340	2,384
Processed in 2012	640	–	640
Revision	725	(401)	324
December 31, 2012	**1,129**	**939**	**2,068**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, parameters and methods and other factors that may materially affect scientific and technical information presented in this Form 20-F relating to the Lapa mine may be found in the Technical Report on the Lapa Gold Project, Cadillac Township, Quebec, Canada filed with Canadian securities regulatory authorities on SEDAR on June 8, 2006.

Goldex Mine Project Mineral Reserves and Mineral Resources

	As at December 31,		
	2012	**2011**	**2010**
Gold			
Proven mineral reserves – tonnes	59,000	–	14,804,000
Average grade – gold grams per tonne	1.70	–	1.87
Probable mineral reserves – tonnes	6,936,000	–	13,722,000
Average grade – gold grams per tonne	1.55	–	1.63
Total proven and probable mineral reserves – tonnes	**6,995,000**	–	**28,526,000**
Average grade – gold grams per tonne	**1.55**	–	**1.75**
Total contained gold ounces	**349,000**	–	**1,609,000**

Notes:

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

(2) On July 25, 2012, the Board of Directors approved the development of underground mining operations in the M and E Zones, where initial reserves were estimated in a feasibility study completed on October 14, 2012.

(3) The 2012 proven and probable mineral reserves set forth in the table above were estimated using an assumed metallurgical gold recovery of 93%. Mining costs were estimated to be C$41.77 per tonne for the E Zone and C$40.28 per tonne for the M Zone. The cut-off grade used for mineral reserves was 1.05 grams of gold per tonne for the E Zone and 1.01 grams of gold per tonne for the M Zone. The Company estimates that a 10% change in the gold price would result in an approximate 4.4% change in mineral reserves.

(4) In addition to the mineral reserves set out above, at December 31, 2012, the Goldex mine project contained measured mineral resources of 12,360,000 tonnes grading 1.86 grams of gold per tonne, indicated mineral resources of 14,808,000 tonnes grading 1.83 grams of gold per tonne and inferred mineral resources of 34,645,000 tonnes grading 1.52 grams of gold per tonne.

(5) Complete information on the verification procedures, the quality assurance program, quality control procedures, parameters and methods and other factors that may materially affect scientific and technical information presented in this Form 20-F relating to the Goldex mine project may be found in the Technical Report on Restatement of the Mineral Resources at Goldex Mine, Quebec, Canada as at October 19, 2011 filed with the Canadian securities regulatory authorities on SEDAR on December 5, 2011 and the Technical Report on Production of the M and E Zones at Goldex Mine dated October 14, 2012 filed with the Canadian securities regulatory authorities on SEDAR on November 1, 2012.

Kittila Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2012	**2011**	**2010**
Gold			
Proven mineral reserves – tonnes	1,461,000	702,000	403,000
Average grade – gold grams per tonne	4.59	5.09	4.23
Probable mineral reserves – tonnes	31,662,000	33,862,000	32,329,000
Average grade – gold grams per tonne	4.49	4.65	4.64
Total proven and probable mineral reserves – tonnes	**33,122,000**	**34,564,000**	**32,732,000**
Average grade – gold grams per tonne	**4.49**	**4.66**	**4.64**
Total contained gold ounces	**4,783,000**	**5,177,000**	**4,880,000**

Notes:

(1) The 2012 proven and probable mineral reserve and mineral resource estimates were calculated using a metallurgical gold recovery of 89%. Gold cut-off grades used were 1.98 grams per tonne, undiluted (1.76 grams per tonne, diluted) for open pit reserves and between 3.33 grams per tonne and 3.49 grams per tonne, undiluted (between 2.82 grams per tonne and 3.00 grams per tonne, diluted), depending on the deposit, for underground reserves. The open pit operating cost was estimated to be €50.57 per tonne in 2012, while the underground cost averaged €79.38 per tonne in 2012. The Company estimates that a 10% change in the gold price would result in an approximate 9.2% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2012, the Kittila mine contained indicated mineral resources of 7,854,000 tonnes grading 2.65 grams of gold per tonne and inferred mineral resources of 18,966,000 tonnes grading 3.88 grams of gold per tonne.

(3) The breakdown of proven and probable mineral reserves between planned open pit operations and underground operations at the Kittila mine (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2012 is:

Category	Mining Method	Tonnes	Gold Grade (g/t)	Contained Gold (oz)
Proven mineral reserves	Open pit	272,000	4.30	38,000
Proven mineral reserves	Underground	1,189,000	4.66	178,000
Total proven mineral reserves		**1,461,000**	**4.59**	**216,000**
Probable mineral reserves	Open pit	182,000	3.51	21,000
Probable mineral reserves	Underground	31,480,000	4.49	4,547,000
Total probable mineral reserves		**31,662,000**	**4.49**	**4,567,000**

(4) The following table shows the reconciliation of mineral reserves (in nearest thousand tonnes) at the Kittila mine by category at December 31, 2012 with those at December 31, 2011. Revision means additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2012.

	Proven	Probable	Total
December 31, 2011	702	33,862	34,564
Processed in 2012	1,090	–	1,090
Revision	1,849	(2,200)	(352)
December 31, 2012	**1,461**	**31,662**	**33,122**

(5) Complete information on the verification procedures, the quality assurance program, quality control procedures, parameters and methods and other factors that may materially affect scientific and technical information presented in this Form 20-F 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.

Pinos Altos Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2012	**2011**	**2010**
Gold and Silver			
Proven mineral reserves – tonnes	3,067,000	1,987,000	2,864,000
Average gold grade – grams per tonne	2.54	1.83	1.90
Average silver grade – grams per tonne	81.31	51.59	54.06
Probable mineral reserves – tonnes	35,074,000	44,792,000	41,298,000
Average gold grade – grams per tonne	2.18	2.07	2.33
Average silver grade – grams per tonne	58.90	59.17	65.53
Total proven and probable mineral reserves – tonnes	**38,141,000**	**46,779,000**	**44,162,000**
Average gold grade – grams per tonne	**2.21**	**2.06**	**2.30**
Average silver grade – grams per tonne	**60.71**	**58.85**	**64.78**
Total contained gold ounces	**2,714,000**	**3,103,000**	**3,271,000**
Total contained silver ounces	**74,441,000**	**88,508,000**	**91,982,000**

Notes:

(1) The 2012 proven and probable mineral reserve estimates are based on a net smelter return cut-off value of the open pit ore between $9.01 per tonne and $28.43 per tonne, depending on the deposit, and a net smelter return cut-off value of the underground ore of $59.11 per tonne. The operating cost per tonne estimate for the Pinos Altos mine in 2012 was $35.41 without deferred stripping ($32.24 with deferred stripping). The metallurgical gold recovery used in the reserve estimates varied between 59% and 96%, depending on the deposit. The metallurgical silver recovery used in the reserve estimates varied between 10% and 44.21%, depending on the deposit. The Company estimates that a 10% change in the gold price would result in an approximate 2.2% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2012, the Pinos Altos mine contained indicated mineral resources of 17,947,000 tonnes grading 1.52 grams of gold per tonne and 33.13 grams of silver per tonne and inferred mineral resources of 24,592,000 tonnes grading 1.19 grams of gold per tonne and 25.00 grams of silver per tonne.

(3) The proven and probable mineral reserves of the Pinos Altos mine set out in the table above include proven mineral reserves from the Creston Mascota deposit of 136,000 tonnes grading 0.96 grams of gold per tonne and 7.42 grams of silver per tonne and probable mineral reserves from the Creston Mascota deposit of 9,950,000 tonnes grading 1.12 grams of gold per tonne and 12.00 grams of silver per tonne. The indicated mineral resource at the Pinos Altos mine also includes indicated mineral resources from the Creston Mascota deposit of 1,765,000 tonnes grading 0.58 grams of gold per tonne and 3.78 grams of silver per tonne. The inferred mineral resource at the Pinos Altos mine also includes inferred mineral resources from the Creston Mascota deposit of 1,079,000 tonnes grading 0.79 grams of gold per tonne and 5.95 grams of silver per tonne.

(4) The breakdown of mineral reserves between planned open pit operations and underground operations at the Pinos Altos mine (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2012 is:

Category	**Mining Method**	**Tonnes**	**Gold Grade (g/t)**	**Silver Grade (g/t)**	**Contained Gold (oz)**	**Contained Silver (oz)**
Proven mineral reserves	Open pit stock pile	457,000	0.93	19.45	14,000	286,000
Proven mineral reserves	Underground	2,610,000	2.82	92.14	237,000	7,732,000
Total proven mineral reserves		**3,067,000**	**2.54**	**81.31**	**250,000**	**8,018,000**
Probable mineral reserves	Open pit	15,692,000	1.75	37.43	884,000	18,886,000
Probable mineral reserves	Underground	19,382,000	2.54	76.29	1,580,000	47,537,000
Total probable mineral reserves		**35,074,000**	**2.18**	**58.90**	**2,464,000**	**66,424,000**

(5) The following table shows the reconciliation of mineral reserves (in nearest thousand tonnes) at the Pinos Altos mine by category at December 31, 2012 with those at December 31, 2011. Revision means additional mineral reserves converted from mineral resources or other categories of mineral reserves and mineral reserves added from exploration activities during 2012.

	Proven	Probable	Total
December 31, 2011	1,987	44,792	46,779
Processed in 2012	4,395	–	4,395
Revision	5,475	(9,718)	(4,243)
December 31, 2012	**3,067**	**35,074**	**38,141**

(6) Complete information on the verification procedures, the quality assurance program, quality control procedures, parameters and methods and other factors that may materially affect scientific and technical information presented in this Form 20-F relating to the Pinos Altos mine may be found in the Pinos Altos Gold-Silver Mining Project, Chihuahua State, Mexico, Technical Report on the Mineral Resources and Reserves as of December 31, 2008 filed with the Canadian securities regulatory authorities on SEDAR on March 25, 2009.

La India Mine Project Mineral Reserves and Mineral Resources

	As at December 31,		
	2012	**2011**	**2010**
Gold			
Probable mineral reserves – tonnes	33,457,000	–	n/a
Average grade – gold grams per tonne	0.72	–	n/a
Total proven and probable mineral reserves – tonnes	**33,457,000**	**–**	**n/a**
Average grade – gold grams per tonne	**0.72**	**–**	**n/a**
Total contained gold ounces	**776,000**	**–**	**n/a**

Notes:

(1) The 2012 mineral reserve and mineral resource estimates for the La India mine project (including the Tarachi deposit) were calculated using a metallurgical gold recovery of 62% or 89%, depending on the deposit. The economic cut-off grade used to determine the open pit reserves varied from 0.2 grams of gold per tonne to 0.4 grams of gold per tonne, depending on the deposit, and is 0.15/0.30 grams of gold per tonne as a marginal cut-off grade. The estimated operating cost used for the 2012 mineral reserve estimate was $7.10 per tonne. The Company estimates that a 10% change in the gold price would result in an approximate 1.9% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2012, the La India mine project (including the Tarachi deposit) contained measured mineral resources of 1,662,000 tonnes grading 0.29 grams of gold per tonne, indicated mineral resources of 41,530,000 tonnes grading 0.42 grams of gold per tonne and inferred mineral resources of 81,002,000 tonnes of ore grading 0.39 grams of gold per tonne.

(3) Complete information on the verification procedures, the quality assurance program, quality control procedures, parameters and methods and other factors that may materially affect scientific and technical information presented in this Form 20-F relating to the La India mine project may be found in the Technical Report on the June 30, 2012 Update of the Mineral Resources and Mineral Reserves, La India Gold Project, Municipality of Sahuaripa, Sonora, Mexico, dated August 31, 2012, filed with the Canadian securities regulatory authorities on SEDAR on October 12, 2012.

Meadowbank Mine Mineral Reserves and Mineral Resources

	As at December 31,		
	2012	**2011**	**2010**
Gold			
Proven mineral reserves – tonnes	1,764,000	1,931,000	839,000
Average grade – gold grams per tonne	1.56	1.49	3.13
Probable mineral reserves – tonnes	23,560,000	22,563,000	33,259,000
Average grade – gold grams per tonne	2.91	2.91	3.18
Total proven and probable mineral reserves – tonnes	**25,324,000**	**24,494,000**	**34,098,000**
Average grade – gold grams per tonne	**2.82**	**2.79**	**3.18**
Total contained gold ounces	**2,294,000**	**2,201,000**	**3,486,000**

Notes:

(1) The 2012 mineral reserve and mineral resource estimates were calculated using a metallurgical gold recovery of 91% or 94%, depending on the deposit. The economic cut-off grade used to determine the open pit reserves varied from 1.14 grams of gold per tonne to 1.16 grams of gold per tonne, depending on the deposit, and is 1.03 to 1.06 grams of gold per tonne as a marginal cut-off grade, depending on the deposit. The estimated ore-based operating costs used for the 2012 mineral reserve estimate varied between C$53.60 per tonne and C$54.72 per tonne, depending on the deposit, with an additional haulage cost of C$1.12 for Vault deposit reserves. The Company estimates that a 10% change in the gold price would result in an approximate 0.2% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2012, the Meadowbank mine contained measured mineral resources of 1,441,000 tonnes grading 0.93 grams of gold per tonne, indicated mineral resources of 8,885,000 tonnes grading 2.75 grams of gold per tonne and inferred mineral resources of 3,589,000 tonnes of ore grading 3.81 grams of gold per tonne.

(3) The following table shows the reconciliation of mineral reserves (in nearest thousand tonnes) at the Meadowbank mine by category at December 31, 2012 with those at December 31, 2011. Revision means 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 2012.

	Proven	**Probable**	**Total**
December 31, 2011	1,931	22,563	24,494
Processed in 2012	3,821	–	3,821
Revision	3,654	997	4,651
December 31, 2012	**1,764**	**23,560**	**25,324**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, parameters and methods and other factors that may materially affect scientific and technical information presented in this Form 20-F relating to the Meadowbank mine may be found in the Technical Report on the Mineral Resources and Mineral Reserves at Meadowbank Gold Mine, Nunavut, Canada as at December 31, 2011 filed with Canadian securities regulatory authorities on SEDAR on March 23, 2012.

Meliadine Project Mineral Reserves and Mineral Resources

	As at December 31,		
	2012	**2011**	**2010**
Gold			
Proven mineral reserves – tonnes	34,000	34,000	–
Average grade – gold grams per tonne	7.31	7.31	–
Probable mineral reserves – tonnes	13,266,000	12,434,000	9,467,000
Average grade – gold grams per tonne	6.98	7.18	6.49
Total proven and probable mineral reserves – tonnes	**13,300,000**	**12,468,000**	**9,467,000**
Average grade – gold grams per tonne	**6.98**	**7.18**	**6.49**
Total contained gold ounces	**2,987,000**	**2,877,000**	**2,600,000**

Notes:

(1) The 2012 mineral reserve and mineral resource estimates were calculated using metallurgical gold recovery curves for Tiriganiaq and F Zone. The curves give a maximum recovery of 96% for Tiriganiaq and 93% for F Zone. The 2012 mineral resource estimates for all other zones were calculated using a metallurgical gold recovery of 94%, except for Wolf and Pump, which were calculated using a metallurgical gold recovery of 95% and 90%, respectively. The cut-off grade used to determine the open pit reserves was 1.94 grams of gold per tonne, undiluted (1.69 grams of gold per tonne, diluted), and the cut-off grade used to determine the underground reserves was 4.89 grams of gold per tonne, undiluted (3.62 grams of gold per tonne, diluted). The estimated operating cost used for the 2012 mineral reserve estimate was C$74.71 per tonne for open pit and C$165.65 per tonne for underground. The Company estimates that a 10% change in the gold price would result in an approximate 3.5% change in mineral reserves.

(2) In addition to the mineral reserves set out above, at December 31, 2012, the Meliadine project contained indicated mineral resources of 17,234,000 tonnes grading 3.94 grams of gold per tonne and inferred mineral resources of 14,816,000 tonnes of ore grading 6.15 grams of gold per tonne.

(3) The breakdown of mineral reserves between planned open pit operations and underground operations at the Meliadine project (with tonnage and contained ounces rounded to the nearest thousand) at December 31, 2012 is:

Category	**Mining Method**	**Tonnes**	**Gold Grade (g/t)**	**Contained Gold (oz)**
Proven mineral reserves	Open pit stockpile	34,000	7.31	8,000
Probable mineral reserves	Open pit	5,172,000	5.85	973,000
Probable mineral reserves	Underground	8,094,000	7.71	2,006,000
Total probable mineral reserves		**13,266,000**	**6.98**	**2,979,000**
Total proven and probable mineral reserves		**13,300,000**	**6.98**	**2,987,000**

(4) Complete information on the verification procedures, the quality assurance program, quality control procedures, parameters and methods and other factors that may materially affect scientific and technical information presented in this Form 20-F relating to the Meliadine project may be found in the Technical Report on the December 31, 2010 Mineral Resource and Mineral Reserve Estimate, Meliadine Gold Project, Nunavut, Canada filed with the Canadian securities regulatory authorities on SEDAR on March 8, 2011.

Risk Mitigation

The Company mitigates the likelihood and potential severity of the various risks it encounters in its day-to-day operations through the application of high standards in the planning, construction and operation of mining facilities. In addition, emphasis is placed on hiring and retaining competent personnel and developing their skills through training in safety and loss control. The Company's operating and technical personnel have a solid track record of developing and operating precious metal mines and several of the Company's mines have been recognized for excellence in this regard with various safety and development awards. Nevertheless, the Company and its employees continue with a focused effort to improve workplace safety and the Company has placed additional emphasis on safety procedure training for both mining and supervisory employees.

The Company also mitigates some of the Company's normal business risk through the purchase of insurance coverage. An Insurable Risk Management Policy, approved by the Board, governs the purchase of insurance coverage and only permits the purchase of coverage from insurance companies of the highest credit quality. For a more complete list of the risk factors affecting the Company, please see "Item 3 Key Information – Risk Factors".

Glossary of Selected Mining Terms

"acid mine drainage"	Acidic run-off water from mines and mine waste containing sulphide minerals.
"alteration"	Any physical or chemical change in the mineral composition of a rock subsequent to its formation, generally produced by weathering or hydrothermal solutions. Milder and more localized than metamorphism.
"anastomosing"	A network of branching and rejoining fault or vein surfaces or surface traces.
"andesite"	A dark-coloured, fine-grained calc-alkaline volcanic rock of intermediate composition.
"assay"	To analyze the proportions of metals in an ore; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.
"banded iron formation"	An iron formation that shows marked banding, generally of iron-rich minerals and chert or fine-grained quartz.
"bedrock"	Solid rock exposed at the surface of the Earth or overlain by unconsolidated material, weathered rock or soil.
"bench"	A ledge in an open-pit mine that forms a single level of operation above which minerals or waste rock are excavated. The ore or waste is removed in successive layers (benches), several of which may be in operation simultaneously.
"breccia"	A rock in which angular rock fragments are surrounded by a mass of fine-grained minerals.
"brittle"	Of minerals, proneness to fracture under low stress. A quality affecting behaviour during comminution of ore, whereby one species fractures more readily than others in the material being crushed.
"bulk mining"	A method of mining in which large quantities of low-grade ore are mined without attempt to segregate the high-grade portions.
"byproduct"	A secondary metal or mineral product recovered from the processing of rock.
"carbon-in-leach (CIL)"	A precious metals recovery step in the mill. Gold and silver are leached from the ground ore and at the same time adsorbed onto granules of activated carbon, which is then separated by screening and processed to remove the precious metals.
"carbon-in-pulp (CIP)"	A precious metals recovery step in the mill. After gold and silver have been leached from ground ore, they are adsorbed onto granules of activated carbon, which is then separated by screening and processed to remove the precious metals. A CIP circuit comprises a series of tanks through which leached slurry flows. Gold is captured onto captive activated carbon that will periodically be moved counter-currently from tank to tank. Head tank carbon is extracted periodically to further recover adsorbed gold before being returned to the circuit tails tank.
"chalcopyrite"	A sulphide mineral of copper and iron; the most important ore mineral of copper.
"concentrate"	The clean product recovered by froth flotation in the plant.
"conglomerate"	A coarse-grained sedimentary rock composed of rounded fragments set in a fine-grained cemented matrix.
"contact"	A plane or irregular surface between two types or ages of rock.
"counter-current decantation"	The clarification of washery water and the concentration of tailings by the use of several thickeners in series. The water flows in the opposite direction from the solids. The final products are slurry that is removed and clear water that is reused in the circuit.
"crosscut"	An underground passage driven from a shaft toward the ore, at (or near) right angles to the strike of a vein or other orebody.
"cut-off grade"	The minimum metal grade in an ore that can be mined profitably.

"cyanidation"	A method of extracting exposed gold or silver grains from crushed or ground ore by dissolving (leaching) it in a weak cyanide solution. May be carried out in tanks inside a mill or in heaps of ore out of doors (heap leach).
"deposit"	A natural occurrence of mineral or mineral aggregate, in such quantity and quality to invite exploitation.
"development"	The preparation of a mining property or area so that an orebody can be analyzed and its tonnage and quality estimated. Development is an intermediate stage between exploration and mining.
"diamond drill"	A drilling machine with a rotating, hollow, diamond-studded bit that cuts a circular channel around a core, which can be recovered to provide a more-or-less continuous and complete columnar sample of the rock penetrated.
"dilution"	The contamination of ore with barren wall rock in stoping, increasing tonnage mined and lowering the overall ore grade.
"dip"	The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike.
"disseminated"	Said of a mineral deposit (especially of metals) in which the desired minerals occur as scattered particles in the rock, but in sufficient quantity to make the deposit an ore. Some disseminated deposits are very large.
"dore"	Unrefined gold and silver bullion bars, which will be further refined to almost pure metal.
"drift"	A horizontal opening in or near an orebody and parallel to the long dimension of the orebody, as opposed to a crosscut that crosses the orebody.
"ductile"	Of rock, able to sustain, under a given set of conditions, 5% to 10% deformation before fracturing or faulting.
"dyke"	An earthen embankment, as around a drill sump or tank, or to impound a body of water or mill tailings. Also, a tabular body of igneous rock that cuts across the structure of adjacent rocks.
"electrowinning"	An electrochemical process in which a metal dissolved within an electrolyte is plated onto an electrode. Used to recover metals such as copper and gold from solution in the leaching of concentrates, etc.
"envelope"	1. The outer or covering part of a fold, especially of a folded structure that includes some sort of structural break. 2. A metamorphic rock surrounding an igneous intrusion. 3. In a mineral, an outer part different in origin from an inner part.

"epigenetic"	Orebodies formed by hydrothermal fluids and gases that were introduced into the host rocks from elsewhere, filling cavities in the host rock.
"epithermal"	Referring to a mineral deposit that formed later than the enclosing rocks consisting of veins and replacement bodies, containing precious metals or, more rarely, base metals.
"extensional-shear vein"	A vein put in place in an extension fracture caused by the deformation of a rock.
"fault"	A fracture or a fracture zone in crustal rocks along which there has been displacement of the two sides relative to one another parallel to the fracture. The displacement may be a few inches or many kilometres long.

"feasibility study"	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations, together with any other relevant operational factors and a detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.
"felsic"	A term used to describe light-coloured rocks containing feldspar, feldspathoids and silica.
"flotation"	The method of mineral separation in which a froth created by a variety of reagents floats some finely crushed minerals, whereas other minerals sink. The metal-rich flotation concentrate is then skimmed off the surface.
"flowsheet"	A diagram showing the progress of material through a treatment plant.
"foliation"	A general term for a planar arrangement of features in any type of rock, especially the planar structure that results in a metamorphic rock.
"footwall"	The rock beneath an inclined vein or ore deposit. (Opposite of a hanging wall).
"fracture"	Any break in a rock, whether or not it causes displacement, due to mechanical failure by stress; includes cracks, joints and faults.
"free gold"	Gold not combined with other substances.
"glacial till"	Dominantly unsorted and unstratified, unconsolidated rock debris, deposited directly by and underneath a glacier.
"grade"	The relative quantity or the percentage of metal content of an orebody, *e.g.* , grams of gold per tonne of rock, or percent copper.
"greenstone belt"	An area underlain by metamorphosed volcanic and sedimentary rocks, usually in a continental shield.
"grouting"	The process of sealing off a water flow in rocks by forcing a thin slurry of cement or other chemicals into the crevices; usually done through a diamond drill hole.
"hanging wall"	The rock on the upper side of a vein or ore deposit.
"head grade"	The average grade of ore fed into a mill.
"hectare"	A metric measurement of area. 1 hectare = 10,000 square metres = 2.47 acres.
"horst"	An up-faulted block of rock.
"hydrothermal alteration"	Alteration of rocks or minerals by reaction with hydrothermal (magmatic) fluids.
"igneous rock"	Rock formed by the solidification of molten material that originated within the Earth.
"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.

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"inferred mineral resource"	That part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. While this term is recognized and required by Canadian regulations, the SEC does not recognize it. Investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into mineral reserves. Investors are cautioned not to assume that part of or all of an inferred mineral resource exists, or is economically or legally mineable.
"infill drilling"	Drilling within a defined mineralized area to improve the definition of known mineralization.
"intrusive"	A body of igneous rock formed by the consolidation of magma intruded below surface into other rocks, in contrast to lavas, which are extruded upon the Earth's surface.
"iron formation"	A chemical sedimentary rock, typically thin-bedded or finely laminated, containing at least 15% iron of sedimentary origin and commonly containing layers of chert.
"kilometre"	A metric measurement of distance. 1.0 kilometre = 1,000 metres = 0.62 miles.
"leaching"	A chemical process for the extraction of valuable minerals from ore; also, a natural process by which ground waters dissolve minerals.
"lens"	A geological deposit that is thick in the middle and tapers towards the ends, resembling a convex lens.
"lithologic groups"	Groups of rock formations.
"lode"	A mineral deposit consisting of a zone of veins, veinlets or disseminations.
"longitudinal retreat"	An underground mining method where the ore is excavated in horizontal slices along the orebody and the stoping starts below and advances upwards. The ore is recovered underneath in the stope.
"mafic"	Igneous rocks composed mostly of dark, iron- and magnesium-rich silicate minerals.
"massive"	Said of a mineral deposit, especially of sulphides, characterized by a great concentration of ore in one place, as opposed to a disseminated or vein-like deposit. Said of any rock that has a homogeneous texture or fabric over a large area, with an absence of layering or any similar directional structure.
"matrix"	The fine-grained rock material in which a larger mineral is embedded.
"measured mineral resource"	That part of a mineral resource for which quantity, grade or quality, densities, shape and

physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.
While this term is recognized and required by Canadian regulations, the SEC does not recognize it. Investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into mineral reserves.

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

"preliminary feasibility study" or "pre-feasibility study"	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method (in the case of underground mining) or the pit configuration (in the case of an open pit) is established, and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve.
"pressure oxidation"	A process by which sulphide minerals are oxidized in order to expose gold that is encapsulated in the mineral lattice. The main component of a pressure oxidation circuit consists of a pressurized vessel (autoclave) where the oxygen level, process temperature and acidity are the primary control parameters.
"probable mineral reserve"	The economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study.
"proven mineral reserve"	The economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study.
"pyrite"	A yellow iron sulphide mineral, FeS_2 , normally of little value. It is sometimes referred to as "fool's gold".
"pyroclastic"	Rocks produced by explosive or aerial ejection of ash, fragments and glassy material from a volcanic vent.
"recovery"	The percentage of valuable metal in the ore that is recovered by metallurgical treatment.
"reverse circulation drilling"	A type of drilling into rock using a solid bit to produce a hole and deliver rock chips (rather than core) to surface for analysis.
"rock burst"	A sudden and often violent breaking of a mass of rock from the walls of a mine, caused by failure of highly stressed rock and the rapid release of accumulated strain energy.
"run-of-mine ore"	The raw, mined material as it is delivered, prior to sorting, stockpiling or treatment.
"sandstone"	A sedimentary rock consisting of grains of sand cemented together.
"schist"	A strongly foliated crystalline rock that can be readily split into thin flakes or slabs due to the well-developed parallelism of more than 50% of the minerals present in it, such as mica or hornblende.
"sedimentary rocks"	Rocks resulting from the consolidation of loose sediment that has accumulated in layers. Examples are limestone, shale and sandstone.
"semi-autogenous grinding	A method of grinding rock whereby larger chunks of the rock itself and steel balls form the

(SAG)"	grinding media.
"shear" or "shearing"	The deformation of rocks by lateral movement along innumerable parallel planes, generally resulting from pressure and producing metamorphic structures such as cleavage and schistosity.
"shear zone"	A tabular zone of rock that has been crushed and brecciated by many parallel fractures due to shear stress. Such an area is often mineralized by ore-forming solutions.
"sill"	An intrusive sheet of igneous rock of roughly uniform thickness that has been forced between the bedding planes of existing rock.
"slurry"	Fine rock particles in circulating water in a treatment plant.

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

ITEM 4A UNRESOLVED STAFF COMMENTS

None.

ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Results of Operations

Revenues from Mining Operations

In 2012, revenue from mining operations increased by 5% to $1,917.7 million from $1,821.8 million in 2011. The increase in revenue was primarily attributable to higher sales prices and sales volumes realized on gold in 2012 compared with 2011.

In 2012, sales of precious metals (gold and silver) accounted for 97% of revenues from mining operations, up from 95% in 2011 and 93% in 2010. The increase in the percentage of revenues from precious metals compared with 2011 is due primarily to higher sales prices and sales volumes realized on gold and lower sales volumes on zinc, offset partially by decreases in sales volumes and sales prices realized on silver. Revenues from mining operations are accounted for net of related smelting, refining, transportation and other charges.

The table below details revenues from mining operations, production volumes and sales volumes by metal:

	2012	2011	2010
	(thousands of United States dollars)		
Revenues from mining operations:			
Gold	$1,712,666	$1,563,760	$1,216,249
Silver	140,221	171,725	104,544
Zinc	45,797	70,522	77,544
Copper	19,018	14,451	22,219
Lead	12	1,341	1,965
	$1,917,714	$1,821,799	$1,422,521
Production volumes:			
Gold (ounces)	1,043,811	985,460	987,609
Silver (000s ounces)	4,646	5,080	4,812
Zinc (tonnes)	38,637	54,894	62,544
Copper (tonnes)	4,126	3,216	4,224
Sales volumes:			
Gold (ounces)	1,028,062	996,090	973,057
Silver (000s ounces)	4,556	5,089	4,722
Zinc (tonnes)	42,604	54,499	59,566
Copper (tonnes)	4,115	3,194	4,223

Revenues from gold sales increased by $148.9 million, or 10%, in 2012 compared with 2011. Gold production increased by 6% to 1,043,811 ounces in 2012 from 985,460 ounces in 2011. A 35% increase in gold production at the Meadowbank mine due to higher gold grades and ore milled and increases in gold grades at the LaRonde and Kittila mines were the primary contributors to the Company's overall gold production increase in 2012 compared with 2011. Partially offsetting these increases in gold production was the absence of production from the Goldex mine project in 2012 due to the suspension of mining operations at the GEZ on October 19, 2011. Average realized gold price increased 6% to $1,667 per ounce in 2012 from $1,573 per ounce in 2011.

Revenues from silver sales decreased by $31.5 million, or 18%, in 2012 compared with 2011 due primarily to a lower realized silver price and lower silver grade and silver mill recoveries at the LaRonde mine. Revenues from zinc sales

decreased by $24.7 million, or 35%, to $45.8 million in 2012 compared with 2011 due primarily to lower zinc grades at the LaRonde mine. Revenues from copper sales increased by $4.6 million, or 32%, in 2012 compared with 2011 due primarily to higher realized copper sales prices between periods and higher copper grades at the LaRonde mine.

Production Costs

In 2012, total production costs were $897.7 million compared with $876.1 million in 2011. This increase is due primarily to a 28% increase in throughput at the Meadowbank mine between 2011 and 2012 made possible by the addition of a secondary crusher in June 2011 and improved equipment availability. The overall increase in production costs was partially offset by the suspension of mining operations at the Goldex mine on October 19, 2011.

The table below details production costs by mine:

Production Costs	**2012**	**2011**	**2010**
	(thousands of United States dollars)		
LaRonde mine	$225,647	$209,947	$189,146
Goldex mine	–	56,939	61,561
Lapa mine	73,376	68,599	66,199
Kittila mine	98,037	110,477	87,740
Pinos Altos mine	152,942	145,614	90,293
Meadowbank mine	347,710	284,502	182,533
Production costs per consolidated statements of income (loss) and comprehensive income (loss)	$897,712	$876,078	$677,472

Production costs at the LaRonde mine were $225.6 million in 2012, an increase of 7% compared with 2011 production costs of $209.9 million. During 2012, the LaRonde mine processed an average of 6,444 tonnes of ore per day compared with 6,592 tonnes of ore per day during 2011. The decrease in throughput between periods was due primarily to heat and congestion challenges associated with ore sourced from the deeper LaRonde mine extension. Minesite costs per tonne were C$98 in the fourth quarter of 2012 compared with C$79 in the fourth quarter of 2011. For the full year 2012, minesite costs per tonne were C$95 compared with C$84 per tonne in 2011. The increase in minesite costs per tonne in 2012 compared with 2011 is attributable primarily to lower throughput and general cost increases.

Production costs at the Goldex mine were nil in 2012 compared with $56.9 million in 2011. The absence of production costs in 2012 is a result of the suspension of Goldex mine operations on October 19, 2011. Minesite costs per tonne were nil in the fourth quarter of 2012 compared to C$21 in the fourth quarter of 2011 when the surface stockpile that remained after the suspension of mining operations was milled. For the full year 2012, minesite costs per tonne were nil compared with C$21 per tonne in 2011.

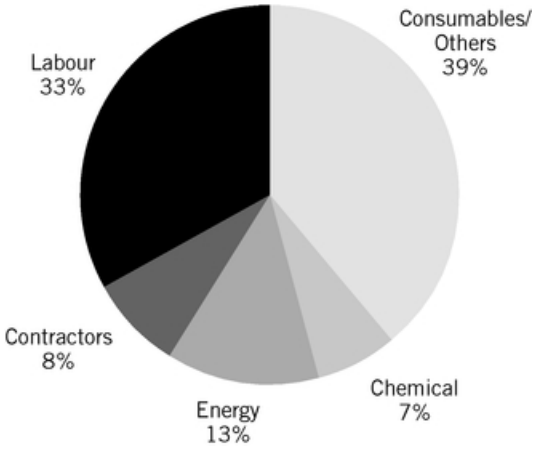
Production costs at the Lapa mine were $73.4 million in 2012, an increase of 7% compared with 2011 production costs of $68.6 million. During 2012, the Lapa mine processed an average of 1,749 tonnes of ore per day, an increase of 3% over the 1,701 tonnes of ore per day processed during 2011. The increase in throughput between 2011 and 2012 was due primarily to improved maintenance scheduling and mill optimization. Minesite costs per tonne were C$113 in the fourth quarter of 2012 compared with C$117 in the fourth quarter of 2011. For the full year 2012, minesite costs per tonne were up slightly but essentially unchanged at C$115 compared with C$110 per tonne in 2011.

Production costs at the Kittila mine were $98.0 million in 2012, a decrease of 11% compared with 2011 production costs of $110.5 million. During 2012, the Kittila mine processed an average of 2,979 tonnes of ore per day, an increase of 5% over the 2,824 tonnes of ore per day processed during 2011 due primarily to an increase in autoclave availability. Minesite costs per tonne were €69 in the fourth quarter of 2012 compared with €80 in the fourth quarter of 2011. For the full year 2012, minesite costs per tonne were €69 compared with €75 per tonne in 2011 due primarily to increased contractor efficiencies and to relatively lower costs associated with mining the final benches of the open pit during 2012.

Production costs at the Pinos Altos mine, including the Creston Mascota deposit, were $152.9 million in 2012, an increase of 5% compared with 2011 production costs of $145.6 million. During 2012, the Pinos Altos mine processed an average of 12,007 tonnes of ore per day, a decrease of 3% compared with the 12,355 tonnes of ore per day processed during 2011 due primarily to the temporary suspension of heap leach stacking at the Creston Mascota deposit in September 2012. Minesite costs per tonne were $46 in the fourth quarter of 2012 compared with $24 in the fourth quarter of 2011. For the full year 2012, minesite costs per tonne were $31 compared with $27 per tonne in 2011. The increase in minesite costs per tonne between 2011 and 2012 is mainly attributable to the absence of lower cost heap leach tonnes processed from the Creston Mascota deposit during the fourth quarter of 2012.

Production costs at the Meadowbank mine were $347.7 million in 2012, an increase of 22% compared with 2011 production costs of $284.5 million. During 2012, the Meadowbank mine processed an average of 10,440 tonnes of ore per day, an increase of 28% over the 8,158 tonnes of ore per day processed during 2011 due primarily to the June 2011 addition of the permanent secondary crusher and improvements in equipment availability and equipment maintenance. Minesite costs per tonne were C$90 in the fourth quarter of 2012 compared with C$98 in the fourth quarter of 2011. For the full year 2012, minesite costs per tonne were C$88 compared with C$91 per tonne in 2011. The decrease in minesite costs per tonne between 2011 and 2012 is mainly attributable to a reduction in waste tonnes moved under the revised Meadowbank mine plan and overall productivity gains.

Total Production Costs by Category



Total cash costs per ounce of gold produced, representing the weighted average of all of the Company's producing mines, increased to $640 in 2012 from $580 in 2011 and $451 in 2010. At the LaRonde mine, total cash costs per ounce of gold increased from $77 in 2011 to $569 in 2012 due primarily to significantly lower byproduct revenue as the mine transitions to ore sourced from lower levels, and previously noted challenges with heat and congestion at the deeper levels. Total cash costs per ounce of gold at the Goldex mine were $401 in 2011 until the suspension of operations on October 19, 2011. At the Lapa mine, total cash costs per ounce of gold increased from $650 in 2011 to $697 in 2012 due to general mining industry cost increases. At the Kittila mine, total cash costs per ounce of gold decreased from $739 in 2011 to $565 in 2012 due primarily to a 23% increase in gold production and improved efficiencies in the use of consumables and contractors. Total cash costs per ounce of gold at the Pinos Altos mine, including the Creston Mascota deposit, decreased from $299 in 2011 to $286 in 2012 due primarily to increased production between these periods. Despite the temporary suspension of heap leach operations at the Creston Mascota deposit effective October 1, 2012, gold production increased by 30,457 ounces at the Pinos Altos mine overall in 2012 compared with 2011. At the Meadowbank mine, total cash costs per ounce of gold decreased from $1,000 in 2011 to $913 in 2012 due primarily to increased gold production and to the successful implementation of the revised mine plan in 2012.

Total cash costs per ounce of gold produced is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) and comprehensive income (loss) for byproduct revenues, unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by the number of ounces of gold produced. The Company believes that this generally accepted industry measure is a realistic indication of operating performance and is a useful comparison point between

periods. Total cash costs per ounce of gold produced is intended to provide investors with information about the cash generating capabilities of the Company's mining operations. Management also uses this measure to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using this per ounce measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that this per ounce measure of performance can be impacted by fluctuations in byproduct metal prices and exchange rates. Management compensates for these inherent limitations by using this measure in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with US GAAP. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

The World Gold Council and its members are working to develop a new production cost measure, potentially termed "all-in sustaining cash costs". The Company will work with the World Gold Council and its members to define and endorse this new measure, expected to be finalized in 2013.

Minesite costs per tonne is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as shown in the consolidated statements of income (loss) and comprehensive income (loss) for unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced measure can be impacted by fluctuations in byproduct metal prices and exchange rates, management believes that the minesite costs per tonne measure provides additional information regarding the performance of mining operations. Management is aware that this per tonne measure of performance can be impacted by fluctuations in production levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with US GAAP.

The Company reports total cash costs per ounce of gold produced and minesite costs per tonne using a common industry practice of deferring certain stripping costs that can be attributed to future production. The purpose of adjusting for these stripping costs is to enhance the comparability of total cash costs per ounce of gold produced and minesite costs per tonne to the Company's peers within the mining industry.

The following tables provide a reconciliation of total cash costs per ounce of gold produced and minesite costs per tonne to production costs as presented in the consolidated statements of income (loss) and comprehensive income (loss) in accordance with US GAAP.

Total Production Costs by Mine

	2012	2011	2010
	(thousands of United States dollars)		
Production costs per consolidated statements of income (loss) and comprehensive income (loss)	$897,712	$876,078	$677,472
LaRonde mine	225,647	209,947	189,146
Goldex mine	–	56,939	61,561
Lapa mine	73,376	68,599	66,199
Kittila mine	98,037	110,477	87,740
Pinos Altos mine [(i)]	146,503	145,614	90,293
Meadowbank mine	347,710	284,502	182,533
Total	$891,273	$876,078	$677,472

Reconciliation of Production Costs to Total Cash Costs per Ounce of Gold Produced by Mine

LaRonde Mine – Total Cash Costs per Ounce of Gold Produced	2012	2011	2010
	(thousands of United States dollars, except as noted)		
Production costs	$ 225,647	$ 209,947	$ 189,146
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	(131,750)	(194,000)	(192,155)
Inventory and other adjustments [(ii)]	107	(2,309)	3,287
Non-cash reclamation provision	(2,422)	(4,062)	(1,344)
Cash operating costs	$ 91,582	$ 9,576	$ (1,066)
Gold production (ounces)	160,875	124,173	162,806
Total cash costs per ounce of gold produced ($ per ounce) [(iii)]	$ 569	$ 77	$ (7)

Goldex Mine – Total Cash Costs per Ounce of Gold Produced	2012	2011	2010
	(thousands of United States dollars, except as noted)		
Production costs	$ –	$ 56,939	$ 61,561
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	–	395	727
Inventory and other adjustments [(ii)]	–	(2,778)	(253)
Non-cash reclamation provision	–	(173)	(216)
Cash operating costs	$ –	$ 54,383	$ 61,819
Gold production (ounces)	–	135,478	184,386
Total cash costs per ounce of gold produced ($ per ounce) [(iii)]	$ –	$ 401	$ 335

Lapa Mine – Total Cash Costs per Ounce of Gold Produced	2012	2011	2010
	(thousands of United States dollars, except as noted)		
Production costs	$ 73,376	$ 68,599	$ 66,199
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	513	663	644
Inventory and other adjustments [(ii)]	(71)	631	(4,683)
Non-cash reclamation provision	191	(348)	(57)
Cash operating costs	$ 74,009	$ 69,545	$ 62,103
Gold production (ounces)	106,191	107,068	117,456
Total cash costs per ounce of gold produced ($ per ounce) [(iii)]	$ 697	$ 650	$ 529

Kittila Mine – Total Cash Costs per Ounce of Gold Produced	2012	2011	2010
	(thousands of United States dollars, except as noted)		
Production costs	$ 98,037	$ 110,477	$ 87,740
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	391	152	252
Inventory and other adjustments [(ii)]	1,564	(1,267)	(4,774)
Non-cash reclamation provision	(551)	(206)	(334)
Stripping costs [(iv)]	–	(3,018)	–
Cash operating costs	$ 99,441	$ 106,138	$ 82,884
Gold production (ounces)	175,878	143,560	126,205
Total cash costs per ounce of gold produced ($ per ounce) [(iii)]	$ 565	$ 739	$ 657

Pinos Altos Mine – Total Cash Costs per Ounce of Gold Produced [(i)]	2012	2011	2010
	(thousands of United States dollars, except as noted)		
Production costs	$ 146,503	$ 145,614	$ 90,293
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	(69,478)	(60,653)	(25,052)
Inventory and other adjustments [(ii)]	2,658	1,871	2,925
Non-cash reclamation provision	(764)	(1,372)	(858)
Stripping costs [(iv)]	(12,762)	(24,260)	(11,857)
Cash operating costs	$ 66,157	$ 61,200	$ 55,451
Gold production (ounces)	231,277	204,380	130,431
Total cash costs per ounce of gold produced ($ per ounce) [(iii)]	$ 286	$ 299	$ 425

Meadowbank Mine – Total Cash Costs per Ounce of Gold Produced	2012	2011	2010
	(thousands of United States dollars, except as noted)		
Production costs	$ 347,710	$ 284,502	$ 182,533
Adjustments:			
Byproduct metal revenues, net of smelting, refining and marketing charges	(1,651)	(546)	(584)
Inventory and other adjustments [(ii)]	4,582	(1,670)	6,911
Non-cash reclamation provision	(1,611)	(1,679)	(1,315)
Stripping costs [(iv)]	(14,806)	(9,746)	(4,321)
Cash operating costs	$ 334,224	$ 270,861	$ 183,224
Gold production (ounces)	366,030	270,801	264,576
Total cash costs per ounce of gold produced ($ per ounce) [(iii)]	$ 913	$ 1,000	$ 693

Reconciliation of Production Costs to Minesite Costs per Tonne by Mine

LaRonde Mine – Minesite Costs per Tonne	**2012**	**2011**	**2010**
	(thousands of United States dollars, except as noted)		
Production costs	$ 225,647	$ 209,947	$ 189,146
Adjustments:			
Inventory adjustment [(v)]	984	(22)	3,287
Non-cash reclamation provision	(2,421)	(4,062)	(1,344)
Minesite operating costs	$ 224,210	$ 205,863	$ 191,089
Minesite operating costs (thousands of C$)	$ 225,159	$ 202,957	$ 194,993
Tonnes of ore milled (thousands of tonnes)	2,359	2,406	2,592
Minesite costs per tonne (C$) [(vi)]	$ 95	$ 84	$ 75

Goldex Mine – Minesite Costs per Tonne	**2012**	**2011**	**2010**
	(thousands of United States dollars, except as noted)		
Production costs	$ –	$ 56,939	$ 61,561
Adjustments:			
Inventory adjustment [(v)]	–	(2,407)	(253)
Non-cash reclamation provision	–	(173)	(216)
Minesite operating costs	$ –	$ 54,359	$ 61,092
Minesite operating costs (thousands of C$)	$ –	$ 53,208	$ 62,545
Tonnes of ore milled (thousands of tonnes)	–	2,477	2,782
Minesite costs per tonne (C$) [(vi)]	$ –	$ 21	$ 22

Lapa Mine – Minesite Costs per Tonne	**2012**	**2011**	**2010**
	(thousands of United States dollars, except as noted)		
Production costs	$ 73,376	$ 68,599	$ 66,199
Adjustments:			
Inventory adjustment [(v)]	54	1,071	(4,683)
Non-cash reclamation provision	191	(348)	(57)
Minesite operating costs	$ 73,621	$ 69,322	$ 61,459
Minesite operating costs (thousands of C$)	$ 73,813	$ 68,403	$ 62,771
Tonnes of ore milled (thousands of tonnes)	641	621	552
Minesite costs per tonne (C$) [(vi)]	$ 115	$ 110	$ 114

Kittila Mine – Minesite Costs per Tonne	2012	2011	2010
	(thousands of United States dollars, except as noted)		
Production costs	$ 98,037	$ 110,477	$ 87,740
Adjustments:			
Inventory adjustment [v]	1,569	(1,324)	(4,774)
Non-cash reclamation provision	(551)	(206)	(334)
Stripping costs [iv]	–	(3,018)	–
Minesite operating costs	$ 99,055	$ 105,929	$ 82,632
Minesite operating costs (thousands of €)	€ 75,305	€ 76,817	€ 63,464
Tonnes of ore milled (thousands of tonnes)	1,090	1,031	960
Minesite costs per tonne (€) [vi]	€ 69	€ 75	€ 66

Pinos Altos Mine – Minesite Costs per Tonne [i]	2012	2011	2010
	(thousands of United States dollars, except as noted)		
Production costs	$ 146,503	$ 145,614	$ 90,293
Adjustments:			
Inventory adjustment [v]	2,755	(169)	2,925
Non-cash reclamation provision	(764)	(1,372)	(858)
Stripping costs [iv]	(12,762)	(24,260)	(11,857)
Minesite operating costs	$ 135,732	$ 119,813	$ 80,503
Tonnes of ore milled (thousands of tonnes)	4,316	4,509	2,318
Minesite costs per tonne (US$) [vi]	$ 31	$ 27	$ 35

Meadowbank Mine – Minesite Costs per Tonne	2012	2011	2010
	(thousands of United States dollars, except as noted)		
Production costs	$ 347,710	$ 284,502	$ 182,533
Adjustments:			
Inventory adjustment [v]	4,407	253	6,911
Non-cash reclamation provision	(1,610)	(1,679)	(1,315)
Stripping costs [iv]	(14,806)	(9,746)	(4,321)
Minesite operating costs	$ 335,701	$ 273,330	$ 183,808
Minesite operating costs (thousands of C$)	$ 336,431	$ 272,157	$ 190,980
Tonnes of ore milled (thousands of tonnes)	3,821	2,978	2,001
Minesite costs per tonne (C$) [vi]	$ 88	$ 91	$ 95

Notes:

(i) Includes the Creston Mascota deposit at Pinos Altos, except for fourth quarter 2012 total cash costs per ounce of gold produced and minesite costs per tonne, as heap leach operations at the Creston Mascota deposit were suspended effective October 1, 2012.

(ii) Under the Company's revenue recognition policy, revenue is recognized on concentrates when legal title passes. As total cash costs per ounce of gold produced are calculated on a production basis, this inventory adjustment reflects the sales margin on the portion of concentrate production not yet recognized as revenue.

(iii) Total cash costs per ounce of gold produced is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as recorded in the consolidated statements of income (loss) and comprehensive income (loss) for byproduct revenues, unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by the number of ounces of gold produced. The Company believes that this generally accepted industry measure is a realistic indication of operating performance and is a useful comparison point between periods. Total cash costs per ounce of gold produced is intended to provide investors with information about the cash generating capabilities of the Company's mining operations. Management also uses this measure to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using this per ounce measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that this per ounce measure of performance can be impacted by fluctuations in byproduct metal prices and exchange rates. Management compensates for these inherent limitations by using this measure in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with US GAAP. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

(iv) The Company reports total cash costs per ounce of gold produced and minesite costs per tonne using a common industry practice of deferring certain stripping costs that can be attributed to future production. The purpose of adjusting for these stripping costs is to enhance the comparability of total cash costs per ounce of gold produced and minesite costs per tonne to the Company's peers within the mining industry.

(v) This inventory adjustment reflects production costs associated with unsold concentrates.

(vi) Minesite costs per tonne is not a recognized measure under US GAAP and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting production costs as shown in the consolidated statements of income (loss) and comprehensive income (loss) for unsold concentrate inventory production costs, non-cash reclamation provisions, deferred stripping costs and other adjustments, and then dividing by tonnes of ore milled. As the total cash costs per ounce of gold produced measure can be impacted by fluctuations in byproduct metal prices and exchange rates, management believes that the minesite costs per tonne measure provides additional information regarding the performance of mining operations, eliminating the impact of varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in processing levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with US GAAP.

Exploration and Corporate Development Expense

Proven and probable gold reserves totalled 18.7 million ounces at December 31, 2012 compared with 18.8 million ounces at December 31, 2011. The decrease in proven and probable gold reserves was due primarily to 2012 gold production at the Company's operating mines and was almost entirely offset by newly declared proven and probable reserves at the Goldex and La India mine projects and at the Meliadine project.

A summary of the Company's significant 2012 exploration and corporate development activities is detailed below:

- Canadian regional exploration expenditures, excluding the Goldex mine project, amounted to $22.7 million in 2012 compared with $29.9 million in 2011. This decrease was due primarily to a $6.5 million reduction in exploration expenditures at the Meliadine project between periods.
- On October 19, 2011, mining operations at the Goldex mine were suspended as a result of geotechnical concerns with the rock above the mining horizon. In 2011, investigation expenditures of $19.7 million were incurred which included rock mechanic and mining studies, drilling and development exploration of the deeper D zone and care

and maintenance of general infrastructure. In 2012, exploration expenditures increased to $37.6 million with focus on the new M and E Zones at the Goldex mine project which were approved for development during the year.

- Latin American regional exploration expenses increased to $28.4 million in 2012 compared with $8.3 million in 2011, due primarily to drilling at the La India mine project in Mexico which is expected to be developed as an open pit heap leach operation.
- Exploration expenditures in the United States and Europe of $14.9 million in 2012 were comparable with expenditures of $13.9 million in 2011.
- The Company's corporate development team remained active in 2012, evaluating new properties and potential acquisition opportunities.

The table below details exploration expense by region and total corporate development expense:

	2012	2011	2010
	(thousands of United States dollars)		
Canada	$ 22,733	$ 29,885	$ 28,346
Latin America	28,419	8,263	8,268
United States	7,397	7,520	7,042
Europe	7,458	6,332	4,569
Goldex mine project	37,627	19,656	–
Corporate development expense	5,866	4,065	6,733
	$ 109,500	$ 75,721	$ 54,958

Amortization of Property, Plant and Mine Development

Amortization of property, plant and mine development expense increased to $271.9 million in 2012 compared with $261.8 million in 2011 due primarily to the achievement of commercial production at the LaRonde mine extension on December 1, 2011. Amortization expense commences once a mine or project achieves commercial production.

General and Administrative Expense

General and administrative expense increased to $119.1 million in 2012 from $107.9 million in 2011 due primarily to increases in salaries, benefits, retirement costs and legal expenses associated with securities class action lawsuits. Partially offsetting these increases, stock option expense decreased to $33.8 million in 2012, representing a 20% decrease compared with 2011, due to a decrease in the Black-Scholes calculated value of the employee stock options granted between periods.

Provincial Capital Tax

Prior to 2011, provincial capital tax was assessed on the Company's capitalization (paid-up capital and debt) less certain allowances and tax credits for exploration expenses incurred. Ontario capital tax was eliminated on July 1, 2010, while Quebec capital tax was eliminated at the end of 2010. Provincial capital tax expenses of $4.0 million and $9.2 million were recorded in 2012 and 2011, respectively, due to government audit assessments relating to prior years. In 2010, the Company recorded a provincial capital tax recovery of $6.1 million due to non-recurring items relating to prior years. Provincial capital tax is expected to be nil going forward.

Interest Expense

In 2012, interest expense increased to $57.9 million from $55.0 million in 2011 and $49.5 million in 2010. The table below details the components of interest expense:

	2012	2011	2010
	(thousands of United States dollars)		
Stand-by fees on credit facilities	$ 3,734	$ 7,345	$ 8,159
Amortization of credit facilities, financing and note issuance costs	3,432	4,810	3,507
Government interest, penalties and other	4,869	3,078	2,165
Interest on credit facilities	3,460	1,764	10,795
Interest on Notes	43,886	39,067	29,423
Interest capitalized to construction in progress	(1,494)	(1,025)	(4,556)
	$ 57,887	$ 55,039	$ 49,493

Foreign Currency Translation Gain (Loss)

The Company's operating results and cash flow are significantly impacted by changes in the US dollar/Canadian dollar exchange rate, as all of the Company's revenues are earned in US dollars but most of its operating costs and a substantial portion of its capital costs are incurred in Canadian dollars. The US dollar/Canadian dollar exchange rate has varied significantly over the past three years. During the period from January 1, 2010 through December 31, 2012, the daily noon exchange rate as reported by the Bank of Canada has fluctuated between C$0.94 per US$1.00 and C$1.08 per US$1.00. In addition, a significant portion of the Company's expenditures at the Kittila mine and the Pinos Altos mine are denominated in Euros and Mexican pesos, respectively. The Euro and Mexican peso have also varied significantly against the US dollar over the past three years.

A foreign currency translation loss of $16.3 million was recorded in 2012 compared with a foreign currency translation gain of $1.1 million in 2011. On average, the US dollar strengthened against the Canadian dollar, the Euro and the Mexican peso in 2012 compared with 2011. The US dollar weakened against the Canadian dollar, the Euro and the Mexican peso between December 31, 2011 and December 31, 2012. The foreign currency translation loss in 2012 is due primarily to the impact of translation on liabilities denominated in Euros, Canadian dollars and Mexican pesos, offset partially by the impact of translation on non-US dollar cash balances.

Income and Mining Taxes

In 2012, the Company had an effective tax rate of 28.5% compared with 26.9% in 2011 and 23.7% in 2010. In 2012, the effective tax rate of 28.5% was higher than the statutory tax rate of 26.3% due to permanent differences, principally stock-based compensation that is not deductible for tax purposes in Canada. In 2011, an income and mining taxes recovery was recorded due to impairment losses on the Meadowbank and Goldex mines.

Supplies Inventories

Supplies inventories increased by 22% to $222.6 million at December 31, 2012 compared with $182.4 million at December 31, 2011. This increase is mainly attributable to the build-up of supplies inventories at the Meadowbank mine to support increased gold production and related maintenance requirements. In addition, supplies inventories increased at the Kittila, Pinos Altos and LaRonde mines to facilitate increased gold production levels and underground mining operations.

Liquidity and Capital Resources

At December 31, 2012, the Company's cash and cash equivalents, short-term investments and restricted cash totalled $332.0 million, compared with $221.5 million at December 31, 2011. Cash provided by operating activities increased by $28.8 million to $696.0 million in 2012 compared with 2011 due primarily to a 6% increase in both gold prices realized

and gold production. The increase in cash provided by operating activities was partially offset by a $15.2 million increase in production costs and a $33.8 million increase in exploration and corporate development expenses between 2011 and 2012. Cash used in investing activities decreased significantly to $376.2 million in 2012 from $760.5 million in 2011 due primarily to the acquisition of Grayd in November 2011, a decrease in available-for-sale securities investments, an increase in proceeds on available-for-sale securities and a decrease in capital expenditures between these periods. Cash used in financing activities was $202.6 million in 2012 compared with cash provided by financing activities of $178.8 million in 2011 due primarily to a change from net proceeds from long-term debt of $270.0 million in 2011 to net repayments of long-term debt of $290.0 million in 2012.

In 2012, the Company invested cash of $445.6 million in projects and sustaining capital expenditures. Significant capital expenditures in 2012 included $105.1 million at the Meadowbank mine, $83.3 million at the Meliadine project, $39.2 million at the La India mine project, $26.8 million at the Goldex mine project and $183.7 million at the LaRonde, Kittila, Pinos Altos and Lapa mines. Capital expenditures to complete the Company's growth initiatives are expected to be funded by cash provided by operating activities and cash on hand. A significant portion of the Company's cash and cash equivalents are denominated in US dollars.

In 2012, the Company received net proceeds on available-for-sale securities of $73.4 million compared with $9.4 million in 2011. Purchases of available-for-sale securities decreased to $2.7 million in 2012 compared with purchases of $91.1 million in 2011.

On November 26, 2012, the Company disposed of 7,795,574 shares of Queenston Mining Inc. for total proceeds of $42.6 million, recording a $16.5 million gain on sale of available-for-sale securities.

On July 27, 2011, the Company acquired 21,671,827 common shares of Rubicon Minerals Corporation ("Rubicon") for cash consideration of approximately $73.8 million. On June 1, 2012, the Company disposed of 11,000,000 common shares of Rubicon for total proceeds of $30.7 million, recording a $6.7 million loss on sale of available-for-sale securities. After closing the transaction, the Company holds 10,671,827 common shares of Rubicon.

On November 29, 2012, the Company purchased the 5% net smelter returns royalty on the Probe block of the Goldex property from Probe for cash consideration of C$14.0 million. This amount was capitalized to the property, plant and mine development line item of the consolidated balance sheets. Up to an additional C$4.0 million (in cash or common shares of the Company, at the election of Probe) may become payable by the Company to Probe if certain production thresholds are achieved on the Probe block of the Goldex property.

On December 12, 2012, the Company declared a cash dividend payable on March 15, 2013, marking the 31 st consecutive year that the Company has paid a cash dividend. During 2012, the Company paid dividends of $118.1 million compared with $98.4 million in 2011. Although the Company expects to continue paying dividends, future dividends will be at the discretion of the Board and will be subject to factors such as income, financial condition and capital requirements. The Company also issued common shares for gross proceeds of $32.7 million in 2012 due primarily to stock option exercises and issuances under the Company's employee share purchase plan.

On July 24, 2012, the Company closed a private placement consisting of $200.0 million aggregate principal amount of guaranteed senior unsecured notes due in 2022 and 2024 (the "2012 Notes") with a weighted average maturity of 11.0 years and weighted average yield of 4.95%. Proceeds from the 2012 Notes were used to repay amounts outstanding under the Company's 1.2 billion unsecured revolving bank credit facility.

On July 20, 2012, the Company amended and restated its bank credit facility (as so amended, the "Credit Facility"). The total amount available under the Credit Facility remains unchanged at $1.2 billion; however, the maturity date was extended from June 22, 2016 to June 22, 2017. Pricing terms were amended to reflect improved current market conditions. As at December 31, 2012, the Company had drawn $30.0 million under the Credit Facility. In addition, the amount available under the Credit Facility is reduced by outstanding letters of credit under the Credit Facility, amounting to $1.1 million at December 31, 2012. Therefore, $1,168.9 million was available for future drawdown under the Credit Facility at December 31, 2012. The Credit Facility requires the Company to maintain specified financial ratios and meet financial condition covenants. These financial condition covenants were met as of December 31, 2012.

The Company entered into a credit agreement on June 26, 2012 with a financial institution relating to a new C$150 million uncommitted letter of credit facility (the "Letter of Credit Facility"). The obligations of the Company under the Letter of Credit Facility are guaranteed by certain of its subsidiaries. The Letter of Credit Facility may be used to support the reclamation obligations or non-financial or performance obligations of the Company or its subsidiaries. As at December 31, 2012, $127.5 million had been drawn under the Letter of Credit Facility.

On April 7, 2010, the Company closed a private placement consisting of $600.0 million aggregate principal amount of guaranteed senior unsecured notes due in 2017, 2020 and 2022 (the "2010 Notes") with a weighted average maturity of 9.84 years and weighted average yield of 6.59%. Proceeds from the offering of the 2010 Notes were used to repay amounts under the Company's then outstanding credit facilities.

In June 2009, the Company entered into a C$95 million financial security guarantee issuance agreement with Export Development Canada (the "EDC Facility"). Under the agreement, which matures in June 2014, Export Development Canada agreed to provide guarantees in respect of letters of credit issued on behalf of the Company in favour of certain beneficiaries in respect of obligations relating to the Meadowbank mine. As at December 31, 2012, outstanding letters of credit drawn under the EDC Facility totaled nil.

Agnico-Eagle's contractual obligations as at December 31, 2012 are detailed below:

Contractual Obligations	**Total**	**Less than 1 Year**	**1-3 Years**	**4-5 Years**	**Thereafter**
			(millions of United States dollars)		
Letter of credit obligations	$ 2.3	$ –	$ 2.3	$ –	$ –
Reclamation obligations [(i)]	349.0	16.8	2.8	3.7	325.7
Purchase commitments	63.6	12.3	19.5	9.5	22.3
Pension obligations [(ii)]	4.2	0.1	0.3	0.2	3.6
Capital and operating leases	35.1	15.5	14.5	1.6	3.5
Long-term debt repayment obligations [(iii)]	830.0	–	–	145.0	685.0
Total [(iv)]	$ 1,284.2	$ 44.7	$ 39.4	$ 160.0	$ 1,040.1

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. The estimated undiscounted cash outflows of these reclamation obligations are presented here. These estimated costs are recorded in the Company's consolidated financial statements on a discounted basis in accordance with ASC 410-20 – *Asset Retirement Obligations* and ASC 410-30 – *Environmental Obligations* . See Note 6(a) to the consolidated financial statements.

(ii) The Company provides a non-registered supplementary executive retirement defined benefit plan for certain senior officers (the "Executives Plan"). The Executives Plan provides pension benefits to certain senior officers equal to 2% of their final three-year average pensionable earnings for each year of service with the Company, less the annual pension payable under the Company's basic defined contribution pension plan. Payments under the Executives Plan are secured by letter of credit from a Canadian chartered bank. The figures presented in this table have been actuarially determined.

(iii) For the purposes of the Company's obligations to repay amounts outstanding under its Credit Facility, the Company has assumed that the indebtedness will be repaid at its current expiry date.

(iv) The Company's estimated future cash flows are expected to be sufficient to satisfy the obligations detailed above.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements include operating leases of $7.6 million (see Note 13(b) to the consolidated financial statements) and outstanding letters of credit for environmental and site restoration costs, custom credits, government grants and other general corporate purposes of $147.3 million of (see Note 12 to the consolidated financial statements). If the Company were to terminate these off-balance sheet arrangements, the penalties or obligations would be insignificant based on the Company's liquidity position, as outlined in the table below.

2013 Liquidity and Capital Resources Analysis

The Company believes that it has sufficient capital resources to satisfy its 2013 mandatory expenditure commitments (including the contractual obligations detailed above) and discretionary expenditure commitments. The following table details expected capital requirements and resources for 2013:

		Amount
		(millions of United States dollars)
2013 Mandatory Commitments:		
Contractual obligations (from table above)	$	44.7
Dividends payable (declared in December 2012)		37.9
Total 2013 mandatory expenditure commitments	$	82.6
2013 Discretionary Commitments:		
Budgeted capital expenditures	$	596.0
Dividends payable (undeclared)		113.7
Total 2013 discretionary expenditure commitments	$	709.7
Total 2013 mandatory and discretionary expenditure commitments	**$**	**792.3**
2013 Capital Resources:		
Cash, cash equivalents and short term investments (at December 31, 2012)	$	306.6
Budgeted 2013 cash provided by operating activities		729.4
Working capital, excluding cash, cash equivalents and short-term investments (at December 31, 2012)		320.0
Available under the Credit Facility		1,168.9
Total 2013 Capital Resources	**$**	**2,524.9**

While the Company believes its capital resources will be sufficient to satisfy all 2013 commitments (mandatory and discretionary), the Company may choose to decrease certain of its discretionary expenditure commitments, which includes certain capital expenditures and undeclared dividends, should unexpected financial circumstances arise in the future.

Outlook

The following section contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. Please see "Preliminary Note – Forward-Looking Information" for a discussion of assumptions and risks relating to such statements and information.

Gold Production Growth

LaRonde Mine

In 2013, payable gold production at the LaRonde mine is expected to be approximately 177,000 ounces. Over the 2013 to 2015 period, annual average payable gold production at the LaRonde mine is expected to be approximately 214,000 ounces. Challenges associated with heat and congestion in the LaRonde mine extension, which achieved commercial production on December 1, 2011, have delayed the ramp up of production. Despite these challenges, overall gold production and throughput are expected to remain unchanged over the life of the LaRonde mine.

Total cash costs per ounce of gold produced at the LaRonde mine are expected to be approximately $650 in 2013 compared with $569 in 2012, reflecting expectations of lower grades and lower metal prices for the mine's byproducts going forward. However, depending on prevailing byproduct prices over the next several years, the potential exists to

extend the life of the upper mine by mining lower grade (predominantly zinc) ore that becomes economic. The effect of this would likely be lower total cash costs per ounce due to the byproduct metal revenue.

Goldex Mine Project

The Goldex mine is expected to commence production from the M and E Zones in the second quarter of 2014. In 2014, payable gold production at the Goldex mine project is expected to be approximately 49,000 ounces. Annual average payable gold production at the Goldex mine project is expected to be approximately 80,000 ounces at total cash costs per ounce of gold produced of approximately $900 over a mine life of approximately three to four years. Exploration on several other satellite zones, including the deeper D Zone, has the potential to extend mine life at Goldex.

Lapa Mine

Payable gold production in 2013 is expected to be approximately 97,000 ounces at estimated total cash costs per ounce of gold produced of approximately $840. Over the 2013 to 2015 period, annual average payable gold production of approximately 86,000 ounces is expected. 2014 is expected to be the last full year of payable gold production based on the current mine life. Additional exploration results expected in 2013 could potentially extend the Lapa mine's life.

Kittila Mine

In 2013, payable gold production at the Kittila mine is expected to be approximately 165,000 ounces, while annual average payable gold production of approximately 163,333 ounces is expected between 2013 and 2015. Total cash costs per ounce of gold produced are expected to be approximately $660 in 2013 compared with $565 in 2012 as ore will be processed exclusively from the higher cost underground mine since the open pit mine was fully depleted in the fourth quarter of 2012. Further, a gradual decline in gold grade towards the average reserve grade is expected in 2013.

The Board has approved a capital expansion at the Kittila mine that is expected to result in a 750 tonne per day throughput capacity increase commencing in the second half of 2015. Current guidance for production at the Kittila mine includes 10,000 ounces of payable gold production resulting from this capital expansion.

Pinos Altos Mine

In 2013, payable gold production at the Pinos Altos mine is expected to be approximately 191,000 ounces, including 32,000 ounces from the Creston Mascota deposit. Total cash costs per ounce of gold produced of approximately $300 are expected in 2013 at the Pinos Altos mine, including the Creston Mascota deposit. Between 2013 and 2015, payable gold production is expected to average 152,000 ounces annually at the Pinos Altos mine and 46,333 ounces annually at the Creston Mascota deposit.

An increase in payable gold production is expected at the Pinos Altos mine in 2015 due to increased mill throughput from the completion of the underground shaft project.

Commercial production at the Creston Mascota deposit heap leach operation was achieved in March 2011. On September 30, 2012, a movement of leached ore from the upper lifts of the Creston Mascota deposit phase one leach pad was observed and active leaching was suspended. During the fourth quarter of 2012, further assessment suggested that the integrity of the phase one leach pad liner had been compromised by the September 30, 2012 event and further leaching on the phase one leach pad is not expected as a result. The Company expects production to commence from the Creston Mascota deposit phase two leach pad in the second quarter of 2013. Payable gold production forecasts reflect a buildup of inventory on the phase two leach pad and a related ramp up in production in 2013, with steady state operations commencing in 2014.

Meadowbank Mine

In 2013, payable gold production at the Meadowbank mine is expected to be approximately 360,000 ounces at estimated total cash costs per ounce of gold produced of approximately $985. The Meadowbank mine is expected to average 359,000 ounces of payable gold production per year between 2013 and 2015.

The Meadowbank mine experienced a number of start-up issues during its first two years. However, forecasted annual payable gold production has increased significantly as a result of improved operating performance achieved in 2012. The Company expects mill throughput of approximately 11,000 tonnes per day to be sustainable and has extended the expected Meadowbank mine life to 2018.

La India Mine Project

The Board approved the construction and development of the La India mine project in September 2012. The La India mine project is expected to commence operations in the second quarter of 2014. In 2014, payable gold production at the La India mine project is expected to be approximately 40,000 ounces. Annual average payable gold production at the La India mine project is expected to be approximately 90,000 ounces at total cash costs per ounce of gold produced of approximately $500 over a mine life of approximately nine years.

Growth Summary

With the achievement of commercial production of the Kittila, Lapa and Pinos Altos mines in 2009, the Meadowbank mine in March 2010, and the Creston Mascota deposit and LaRonde mine extension in 2011, Agnico-Eagle has transformed from a one mine operation to a five mine company over the last four years, resulting in record annual payable gold production of 1,043,811 ounces in 2012. As the Company continues its next growth phase from this expanded production platform, it expects to continue to deliver on its vision and strategy. Annual payable gold production is expected to increase to approximately 1,207,000 ounces in 2015, representing a 16% increase compared with 2012. The Company expects that the main contributors to targeted increases in payable gold production, gold reserves and gold resources will include:

- Continued conversion of Agnico-Eagle's current gold resources to reserves.
- Increased production from the higher grade orebody in the LaRonde mine extension.
- The commencement of operations at the Goldex mine project's M and E Zones and the La India mine project in 2014.
- The commencement of operations from the Creston Mascota deposit phase two leach pad in 2013.

Financial Outlook

Mining Revenue and Production Costs

In 2013, the Company expects to continue to generate strong cash flow with payable gold production between 970,000 and 1,010,000 ounces, down from 1,043,811 ounces in 2012 due primarily to mine sequencing and the temporary suspension of heap leach operations at the Creston Mascota deposit at Pinos Altos effective October 1, 2012.

The table below details actual payable production in 2012 and estimated payable production in 2013.

	2013 Estimate	**2012 Actual**
Gold (ounces)	970,000 - 1,010,000	1,043,811
Silver (thousands of ounces)	4,300	4,646
Zinc (tonnes)	23,000	38,637
Copper (tonnes)	4,900	4,126

In 2013, the Company is expecting total cash costs per ounce at the LaRonde mine to be $650 compared with $569 in 2012. In calculating estimates of total cash costs per ounce of gold produced for the LaRonde mine, net silver, zinc and copper revenue are treated as a reduction to production costs. Therefore, production and price assumptions for byproduct metals play an important role in the LaRonde mine's total cash costs per ounce of gold produced estimate due to its large byproduct production relative to the Company's other mines. An increase in byproduct metal prices above forecast levels would result in improved total cash costs per ounce of gold produced for the LaRonde mine. In addition, the Pinos Altos mine contains a significant amount of silver byproduct.

In 2013, total cash costs per ounce of gold produced at the Lapa, Kittila, Pinos Altos (including the Creston Mascota deposit) and Meadowbank mines are expected to be $840, $660, $300 and $985, respectively. As production costs at the LaRonde, Lapa and Meadowbank mines are denominated primarily in Canadian dollars, production costs at the Kittila mine are denominated primarily in Euros and a portion of production costs at the Pinos Altos mine are denominated in Mexican pesos, the Canadian dollar/US dollar, Euro/US dollar and Mexican peso/US dollar exchange rates also impact the total cash costs per ounce of gold produced estimates.

The table below details the metal price assumptions and exchange rate assumptions used in deriving the estimated 2013 total cash costs per ounce of gold produced (production estimates for each metal are shown in the table above) as well as the market average closing prices for each variable for the period of January 1, 2013 through March 12, 2013.

	Cash Cost Assumptions	Market Average
Silver (per ounce)	$ 34.00	$ 30.43
Zinc (per tonne)	$ 2,000	$ 2,060
Copper (per tonne)	$ 7,500	$ 8,003
C$/US$ exchange rate (C$)	$ 1.00	$ 1.00
Euro/US$ exchange rate (Euros)	€ 0.77	€ 0.75
Mexican peso/US$ exchange rate (Mexican pesos)	13.00	12.70

The table below details the estimated approximate sensitivity of the Company's 2013 estimated total cash costs per ounce of gold produced to a change in metal price and exchange rate assumptions:

Change in variable [(i)]	Impact on Total Cash Costs per Ounce of Gold Produced
$1 per ounce of Silver	$ 4
$100 per tonne of Zinc	$ 2
$200 per tonne of Copper	$ 1
1% C$/US$	$ 7
1% Euro/US$	$ 1
1% Mexican peso/US$	$ 1

Note:

(i) The sensitivities presented are based on the payable production, metal price and exchange rate assumptions detailed above. Operating costs are not impacted by fluctuations in byproduct metal prices. The Company may use derivative strategies to limit the downside risk associated with fluctuating byproduct metal prices and enters into forward contracts to lock in exchange rates based on projected Canadian dollar, Euro and Mexican peso operating and capital needs. Please see "Item 11 Quantitative and Qualitative Disclosures about Market Risk – Risk Profile – Metal Price and Foreign Currency" and "Risk Profile – Financial Instruments". Please see "– Results of Operations – Production Costs" above for disclosure regarding the use of the non-US GAAP financial measure total cash costs per ounce of gold produced.

Exploration and Corporate Development Expense

In 2013, Agnico-Eagle expects to incur expenditures of $92.0 million on minesite and advanced project exploration, greenfield exploration and corporate development. Approximately $21.0 million is expected to be spent on greenfield exploration outside of the Company's currently contemplated mining areas in Canada, Latin America, Finland and the United States. Exploration is success driven and thus these estimates could change materially based on the success of the various exploration programs. When it is determined that a mining property can be economically developed as a result of established proven and probable reserves, the costs of drilling and development to further delineate the ore body on such a property are capitalized. In 2013, the Company expects to capitalize $38.0 million on drilling and development related to further delineating ore bodies and converting resources into reserves.

Other Expenses

Cash general and administrative expenses are not expected to increase significantly in 2013. However, non-cash variances from budget may occur as a result of variances in the Black-Scholes pricing of stock options granted by the Company in 2013. Provincial capital tax expense is expected to be nil in 2013 due to the elimination of the Ontario provincial capital tax on July 1, 2010 and the elimination of the Quebec capital tax at the end of 2010. Amortization of property, plant and mine development is expected to increase to approximately $293.1 million in 2013 compared with $271.9 million in 2012. Interest expense is expected to decrease to approximately $55.1 million in 2013 compared with $57.9 million in 2012 due primarily to decreased amounts drawn under the Credit Facility, offset partially by amounts owing on the 2012 Notes. The Company's effective tax rate is expected to be approximately 34.6% in 2013 compared with an effective rate of 28.5% in 2012. The 2012 effective tax rate resulted from the factors detailed in "– Results of Operations – Income and Mining Taxes" above.

Capital Expenditures

Agnico-Eagle's gold growth program remains well funded. Capital expenditures, including construction and development costs, sustaining capital and capitalized exploration costs, are expected to total approximately $596.0 million in 2013. In 2013, the Company expects to generate internal cash flow from the sale of its gold production and the associated byproduct metals. Significant components of the expected 2013 capital expenditures program include the following:

- $357.0 million in capitalized development expenditures relating primarily to the La India mine project ($92.0 million), Goldex mine project ($63.0 million), Meliadine project ($59.0 million), Meadowbank mine ($39.0 million), Kittila mine ($34.0 million) and Pinos Altos mine ($33.0 million);
- $201.0 million in sustaining capital expenditures relating to the LaRonde mine ($61.0 million), Meadowbank mine ($40.0 million), Kittila mine ($39.0 million), Pinos Altos mine ($29.0 million), Lapa mine ($19.0 million) and Creston Mascota deposit at Pinos Altos ($13.0 million); and
- $38.0 million in capitalized drilling expenditures;

The Company continues to examine other possible corporate development opportunities which may result in the acquisition of companies, assets with securities, cash or a combination thereof. If cash is used to fund acquisitions, Agnico-Eagle may be required to issue debt or securities to satisfy cash requirements.

Outstanding Securities

The following table details the maximum number of common shares that would be outstanding if all dilutive instruments outstanding at March 12, 2013 were exercised:

Common shares outstanding at March 12, 2013	172,501,169
Employee stock options	11,750,991
Warrants	8,600,000
	192,852,160

Critical Accounting Estimates

The preparation of the consolidated financial statements in accordance with US GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company evaluates the estimates periodically, including those relating to trade receivables, inventories, deferred tax assets and liabilities, mining properties, goodwill and asset retirement obligations. In making judgments about the carrying value of assets and liabilities, the Company uses estimates based on historical experience and various assumptions that are considered reasonable in the circumstances. Actual results may differ from these estimates.

The Company believes the following critical accounting policies relate to its more significant judgments and estimates used in the preparation of its consolidated financial statements. Management has discussed the development and selection of the following critical accounting policies with the Audit Committee which has reviewed the Company's disclosure in this Form 20-F.

Mining Properties, Plant and Equipment and Mine Development Costs

Significant payments related to the acquisition of land and mineral rights are capitalized as mining properties at cost. If a mineable ore body is discovered, such costs are amortized to income when production begins, using the unit-of-production method, based on estimated proven and probable reserves. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value.

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

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

Agnico-Eagle records amortization on both plant and equipment and mine development costs used in commercial production on a unit-of-production basis based on the estimated tonnage of proven and probable mineral reserves of the mine. The unit-of-production method defines the denominator as the total proven and probable tonnes of reserves.

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

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

The carrying values of mining properties, plant and equipment and mine development costs are periodically reviewed for possible impairment, when impairment factors exist, based on the future undiscounted net cash flows of the operating mine or development property. If it is determined that the estimated net recoverable amount is less than the carrying value, then a write down to the estimated fair value amount is made with a charge to income. Estimated future cash flows of an operating mine and development properties include estimates of recoverable ounces of gold based on the proven and probable mineral reserves. To the extent that economic value exists beyond the proven and probable mineral reserves of an operating mine or development property, this value is included as part of the estimated future cash flows. Estimated future cash flows also involve estimates regarding metal prices (considering current and historical prices, price trends and related factors), production levels, capital and reclamation costs, and related income and mining taxes, all based on detailed life-of-mine plans. Cash flows are subject to risks and uncertainties and changes in the estimates of the cash flows may affect the recoverability of long-lived assets.

Goodwill

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

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

At December 31, 2012, the Company concluded that it did not have any reporting units that were at risk of failing the Step 1 goodwill impairment test under ASC 350 – *Intangibles – Goodwill and Other* .

Revenue Recognition

Revenue is recognized when the following conditions are met:

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

(b) the price is determinable;

(c) the product has been delivered; and

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

Revenue from gold and silver in the form of dore bars is recorded when the refined gold and silver is sold and delivered to the customer. Generally, all the gold and silver in the form of dore bars recovered in the Company's milling process is sold in the period in which it is produced.

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

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

Reclamation Costs

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

AROs arise from the acquisition, development, construction and operation of mining properties and plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to: tailings and heap leach pad closure and rehabilitation; demolition of buildings and mine facilities; ongoing water treatment; and ongoing care and maintenance of closed mines. The fair values of AROs are measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an ARO is incurred. Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and a corresponding change in the life of mine plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. When expected cash flows increase, the revised cash flows are discounted using a current discount

factor, whereas when expected cash flows decrease, the reduced cash flows are discounted using the historical discount factor used in the original estimation of the expected cash flows. In either case, any change in the fair value of the ARO is recorded. Agnico-Eagle records the fair value of an ARO when it is incurred. AROs are adjusted to reflect the passage of time (accretion), which is calculated by applying the discount factor implicit in the initial fair value measurement to the beginning-of-period carrying amount of the AROs. For producing mines, accretion expense is recorded in the cost of goods sold each period. Upon settlement of an ARO, Agnico-Eagle records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains/losses are recorded in income.

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

The Company is required to recognize a liability for obligations associated with ERLs arising from past acts. ERL fair value is measured by discounting the expected related cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. On an annual basis, the Company assesses cost estimates and other assumptions used in the valuation of ERLs to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the ERL. Any change in the fair value of ERLs results in a corresponding charge or credit to income. Upon settlement of an ERL, Agnico-Eagle records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains/losses are recorded in income.

Other environmental remediation costs that are not AROs or environmental remediation liabilities as defined by ASC 410-20 – *Asset Retirement Obligations* and 410-30 – *Environmental Obligations* , respectively, are expensed as incurred.

Income and Mining Taxes

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

The Company's operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising from federal, provincial, state and international tax audits. The Company recognizes the effect of uncertain tax positions and records tax liabilities for anticipated tax audit issues in Canada and other tax jurisdictions where it is more likely than not based on technical merits that the position would not be sustained. The Company recognizes the amount of any tax benefits that have greater than 50 percent likelihood of being ultimately realized upon settlement.

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

During the second quarter of 2010, the Company executed the newly enacted Quebec foreign currency election to commence using the U.S. dollar as its functional currency for Quebec income tax purposes. As the related tax legislation was enacted in the second quarter of 2010, this election applies to taxation years ended on or after December 31, 2008. This election resulted in a deferred tax benefit of $21.8 million for the year ended December 31, 2010.

Financial Instruments

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

The Company recognizes all derivative financial instruments in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivative financial instruments

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

Stock-Based Compensation

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

Fair value is determined using the Black-Scholes option valuation model which requires the Company to estimate the expected volatility of the Company's share price and the expected life of the stock options. Limitations with existing option valuation models and the inherent difficulties associated with estimating these variables create difficulties in determining a reliable single measure of the fair value of stock option grants. The dilutive impact of stock option grants is factored into the Company's reported diluted net income (loss) per share.

Commercial Production

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

Stripping Costs

Pre-production stripping costs are capitalized until an "other than de minimis" level of mineral is produced, after which time such costs are either capitalized to inventory or expensed. The Company considers various relevant criteria to assess when an "other than de minimis" level of mineral is produced. The criteria considered include: (1) the number of ounces mined compared to total ounces in mineral reserves; (2) the quantity of ore mined compared to the total quantity of ore expected to be mined over the life of the mine; (3) the current stripping ratio compared to the expected stripping ratio over the life of the mine; and (4) the ore grade compared to the expected ore grade over the life of the mine. Please refer to notes (iii) and (iv) of the "Reconciliation of Production Costs to Total Cash Costs per Ounce of Gold Produced by Mine" section for a discussion of stripping costs with regards to "cash costs".

Recently Issued Accounting Pronouncements and Developments

Under SEC Staff Accounting Bulletin 74, the Company is required to disclose information related to new accounting standards that have not yet been adopted. Agnico-Eagle is currently evaluating the impact that the adoption of these statements will have on the Company's consolidated financial statements.

Disclosure about Offsetting Assets and Liabilities

In November 2011, ASC guidance was issued relating to disclosure on offsetting financial instrument and derivative financial instrument assets and liabilities. Under the updated guidance, entities are required to disclose gross information and net information about both instruments and transactions eligible for offset in the consolidated balance sheets and instruments and transactions subject to an agreement similar to a master netting arrangement. The update is effective for the Company's fiscal year beginning January 1, 2013. Agnico-Eagle is evaluating the potential impact of the adoption of this guidance may have on the Company's consolidated financial statements.

Disclosure of Payments by Resource Extraction Issuers

In August 2012, the SEC adopted new rules requiring resource extraction issuers to include in an annual report information relating to any payment, whether a single payment or a series of related payments, that equals or exceeds $100,000 during the most recent fiscal year, made by the issuer, a subsidiary of the issuer or an entity under the control of the issuer, to the United States federal government or a foreign government for the purpose of the commercial development of oil, natural gas, or minerals. Resource extraction issuers will be required to provide information about the type and total amount of such payments made for each project related to the commercial development of oil, natural gas, or minerals, and the type and total amount of payments made to each government. A resource extraction issuer must comply with the new rules and form for fiscal years ending after September 30, 2013, but may provide a partial year report if the issuer's fiscal year began before September 30, 2013. The Company is evaluating the potential impact of complying with these new rules in its 2013 annual disclosure.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

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

International Financial Reporting Standards

Based on recent guidance from the Canadian Securities Administrators and the SEC, as a Canadian issuer and existing US GAAP filer, the Company will continue to be permitted to use US GAAP as its principal basis of accounting. The SEC has not yet committed to a timeline which would require the Company to adopt International Financial Reporting Standards ("IFRS"). A decision to voluntarily adopt IFRS has not been made by the Company.

SUMMARIZED QUARTERLY DATA

CONSOLIDATED FINANCIAL DATA

	Three Months Ended				
	March 31, 2012	**June 30, 2012**	**September 30, 2012**	**December 31, 2012**	**Total 2012**
	(thousands of United States dollars, except where noted)				
Operating margin					
Revenues from mining operations	$ 472,934	$ 459,561	$ 535,836	$ 449,383	$ 1,917,714
Production costs	215,035	219,906	220,408	242,363	897,712
Operating margin	257,899	239,655	315,428	207,020	1,020,002
Operating margin by mine					
LaRonde mine	63,266	29,342	45,625	35,363	173,596
Lapa mine	27,677	26,222	25,723	20,755	100,377
Kittila mine	49,049	31,489	52,655	53,199	186,392
Pinos Altos mine [(i)]	69,135	79,887	87,167	61,533	297,722
Meadowbank mine	48,772	72,715	104,258	36,170	261,915
Operating margin	257,899	239,655	315,428	207,020	1,020,002
Amortization of property, plant and mine development	64,553	66,310	68,318	72,680	271,861
Corporate and other	85,836	96,169	94,763	36,232	313,000
Income before income and mining taxes	107,510	77,176	152,347	98,108	435,141
Income and mining taxes	28,962	33,904	46,021	15,338	124,225
Net income for the period	$ 78,548	$ 43,272	$ 106,326	$ 82,770	$ 310,916
Net income per share – basic	$ 0.46	$ 0.25	$ 0.62	$ 0.48	$ 1.82
Net income per share – diluted	$ 0.46	$ 0.25	$ 0.62	$ 0.48	$ 1.81
Cash flows					
Cash provided by operating activities	$ 196,497	$ 194,082	$ 199,464	$ f105,964	$ 696,007
Cash used in investing activities	$ (88,908)	$ (68,619)	$ (121,837)	$ (96,792)	$ (376,156)
Cash (used in) provided by financing activities	$ (132,078)	$ (29,258)	$ (55,406)	$ 14,136	$ (202,606)
Realized prices					
Gold (per ounce)	$ 1,684	$ 1,602	$ 1,695	$ 1,684	$ 1,667
Silver (per ounce)	$ 34	$ 26	$ 34	$ 31	$ 32
Zinc (per tonne)	$ 2,125	$ 1,901	$ 1,836	$ 1,906	$ 1,955
Copper (per tonne)	$ 9,006	$ 6,455	$ 9,046	$ 7,668	$ 8,083

Payable production: [(ii)]					
Gold (ounces)					
LaRonde mine	43,281	40,206	40,477	36,911	160,875

Lapa mine	28,499	28,157	24,914	24,621	106,191
Kittila mine	46,758	35,228	48,619	45,273	175,878
Pinos Altos mine [(i)]	57,016	63,356	61,973	52,492	234,837
Meadowbank mine	79,401	98,403	110,988	77,238	366,030
	254,955	265,350	286,971	236,535	1,043,811
Silver (thousands of ounces)					
LaRonde mine	690	532	475	547	2,244
Pinos Altos mine [(i)]	507	537	639	628	2,311
Meadowbank mine	18	26	26	21	91
	1,215	1,095	1,140	1,196	4,646
Zinc (LaRonde mine) (tonnes)	12,978	9,558	7,379	8,722	38,637
Copper (LaRonde mine) (tonnes)	1,326	1,004	982	814	4,126
Payable metal sold:					
Gold (ounces)					
LaRonde mine	43,745	39,886	37,466	37,726	158,823
Lapa mine	27,897	27,793	24,772	24,309	104,771
Kittila mine	44,227	34,476	45,155	46,620	170,478
Pinos Altos mine [(i)]	52,145	66,373	61,265	50,201	229,984
Meadowbank mine	74,614	93,299	116,341	79,752	364,006
	242,628	261,827	284,999	238,608	1,028,062
Silver (thousands of ounces)					
LaRonde mine	718	482	467	566	2,233
Pinos Altos mine [(i)]	493	525	635	583	2,236
Meadowbank mine	18	24	26	19	87
	1,229	1,031	1,128	1,168	4,556
Zinc (LaRonde mine) (tonnes)	13,032	10,379	10,120	9,073	42,604
Copper (LaRonde mine) (tonnes)	1,293	1,085	937	800	4,115

Notes:

(i) Includes Creston Mascota deposit at Pinos Altos.

(ii) Payable production is the quantity of mineral produced during a period contained in products that are or will be sold by the Company, whether such products are sold during the period or held as inventory at the end of the period.

	Three Months Ended				
	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011	Total 2011
	(thousands of United States dollars, except where noted)				
Operating margin					
Revenues from mining operations	$ 412,068	$ 433,691	$ 520,537	$ 455,503	$ 1,821,799
Production costs	198,567	212,754	237,190	227,567	876,078
Operating margin	213,501	220,937	283,347	227,936	945,721
Operating margin by mine					
LaRonde mine	48,983	46,017	59,081	34,581	188,662
Goldex mine	40,333	46,739	48,974	24,677	160,723
Lapa mine	19,178	27,737	28,286	23,736	98,937
Kittila mine	27,831	18,934	34,751	33,619	115,135
Pinos Altos mine [(i)]	47,259	52,568	65,777	67,111	232,715
Meadowbank mine	29,917	28,942	46,478	44,212	149,549
Operating margin	213,501	220,937	283,347	227,936	945,721
Amortization of property, plant and mine development	61,929	59,235	67,104	73,513	261,781
Impairment Loss on Meadowbank mine	–	–	–	907,681	907,681
Loss on Goldex mine	–	–	298,183	4,710	302,893
Corporate and other	74,210	56,936	28,644	92,204	251,994
Income (loss) before income and mining taxes	77,362	104,766	(110,584)	(850,172)	(778,628)
Income and mining taxes	32,098	35,941	(28,970)	(248,742)	(209,673)
Net income (loss) for the period	$ 45,264	$ 68,825	$ (81,614)	$ (601,430)	$ (568,955)
Attributed to non-controlling interest	$ –	$ –	$ –	$ (60)	$ (60)
Attributed to common shareholders	$ 45,264	$ 68,825	$ (81,614)	$ (601,370)	$ (568,895)
Net income (loss) per share – basic	$ 0.27	$ 0.41	$ (0.48)	$ (3.53)	$ (3.36)
Net income (loss) per share – diluted	$ 0.26	$ 0.40	$ (0.48)	$ (3.53)	$ (3.36)
Cash flows					
Cash provided by operating activities	$ 174,766	$ 162,821	$ 197,570	$ 132,028	$ 667,185
Cash used in investing activities	$ (89,956)	$ (116,173)	$ (247,772)	$ (306,583)	$ (760,484)
Cash (used in) provided by financing activities	$ (72,565)	$ (22,180)	$ 29,106	$ 244,461	$ 178,822
Realized prices					
Gold (per ounce)	$ 1,400	$ 1,530	$ 1,717	$ 1,640	$ 1,573
Silver (per ounce)	$ 36	$ 39	$ 37	$ 27	$ 34
Zinc (per tonne)	$ 2,509	$ 2,257	$ 2,166	$ 2,188	$ 1,892
Copper (per tonne)	$ 10,027	$ 8,565	$ 8,561	$ 8,510	$ 7,162

Payable production: [ii]					
Gold (ounces)					
LaRonde mine	36,893	27,525	29,069	30,686	124,173
Goldex mine	38,500	41,998	40,224	14,756	135,478
Lapa mine	26,914	28,552	27,881	23,721	107,068
Kittila mine	40,317	30,811	37,924	34,508	143,560
Pinos Altos mine [i]	48,001	51,066	52,739	52,574	204,380
Meadowbank mine	61,737	59,376	78,141	71,547	270,801
	252,362	239,328	265,978	227,792	985,460
Silver (thousands of ounces)					
LaRonde mine	680	736	968	785	3,169
Pinos Altos mine [i]	406	452	485	508	1,851
Meadowbank mine	13	13	16	18	60
	1,099	1,201	1,469	1,311	5,080
Zinc (LaRonde mine) (tonnes)	11,941	14,678	15,684	12,591	54,894
Copper (LaRonde mine) (tonnes)	817	666	731	1,002	3,216
Payable metal sold:					
Gold (ounces)					
LaRonde mine	37,459	28,589	26,729	31,342	124,119
Goldex mine	41,895	41,564	37,380	20,863	141,702
Lapa mine	25,776	29,749	27,955	23,854	107,334
Kittila mine	40,698	29,794	36,745	37,769	145,006
Pinos Altos mine [i]	45,484	48,847	54,297	55,611	204,239
Meadowbank mine	61,928	58,767	74,416	78,579	273,690
	253,240	237,310	257,522	248,018	996,090
Silver (thousands of ounces)					
LaRonde mine	679	726	901	865	3,171
Pinos Altos mine [i]	409	428	475	546	1,858
Meadowbank mine	21	14	7	18	60
	1,109	1,168	1,383	1,429	5,089
Zinc (LaRonde mine) (tonnes)	8,302	16,649	18,032	11,516	54,499
Copper (LaRonde mine) (tonnes)	820	658	738	978	3,194

Notes:

(i) Includes Creston Mascota deposit at Pinos Altos.

(ii) Payable production is the quantity of mineral produced during a period contained in products that are or will be sold by the Company, whether such products are sold during the period or held as inventory at the end of the period.

FIVE YEAR FINANCIAL AND OPERATING SUMMARY

FINANCIAL DATA

	Years Ended December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
	(thousands of United States dollars, except where noted)				
Revenues from mining operations	$ 1,917,714	$ 1,821,799	$ 1,422,521	$ 613,762	$ 368,938
Interest and sundry (expense) income and other	(6,207)	(5,167)	94,879	26,314	(37,465)
	1,911,507	1,816,632	1,517,400	640,076	331,473
Other costs and expenses	1,476,366	2,595,260	1,082,197	532,038	235,482
Income (loss) before income and mining taxes	435,141	(778,628)	435,203	108,038	95,991
Income and mining taxes	124,225	(209,673)	103,087	21,500	22,824
Net income (loss) for the year	$ 310,916	$ (568,955)	$ 332,116	$ 86,538	$ 73,167
Attributed to non-controlling interest	$ –	$ (60)	$ –	$ –	$ –
Attributed to common shareholders	$ 310,916	$ (568,895)	$ 332,116	$ 86,538	$ 73,167
Net income (loss) per share – basic	$ 1.82	$ (3.36)	$ 2.05	$ 0.55	$ 0.51
Net income (loss) per share – diluted	$ 1.81	$ (3.36)	$ 2.00	$ 0.55	$ 0.50
Cash provided by operating activities	$ 696,007	$ 667,185	$ 487,507	$ 118,139	$ 121,175
Cash used in investing activities	$ 376,156	$ (760,484)	$ (523,306)	$ (587,611)	$ (917,549)
Cash (used in) provided by financing activities	$ (202,606)	$ 178,822	$ (25,982)	$ 556,785	$ 558,072
Cash dividends declared per common share	$ 1.02	$ –	$ 0.64	$ 0.18	$ 0.18
Capital expenditures	$ 445,550	$ 482,831	$ 511,641	$ 657,175	$ 908,853
Average gold price realized ($ per ounce)	$ 1,667	$ 1,573	$ 1,250	$ 1,024	$ 879
Average exchange rate (C$ per $)	C$ 0.9994	C$ 0.9893	C$ 1.0301	C$ 1.1415	C$ 1.0669
Weighted average number of common shares outstanding – basic (thousands)	171,250	169,353	162,343	155,942	144,741
Working capital and Credit Facility drawdown availability	$ 1,795,495	$ 1,472,300	$ 1,491,471	$ 598,581	$ 508,335
Total assets	$ 5,255,842	$ 5,034,262	$ 5,500,351	$ 4,247,357	$ 3,378,824
Long-term debt	$ 830,000	$ 920,095	$ 650,000	$ 715,000	$ 200,000
Shareholders' equity	$ 3,410,212	$ 3,215,163	$ 3,665,450	$ 2,751,761	$ 2,517,756

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Operating Summary

LaRonde mine					
Revenues from mining operations	$ 399,243	$ 398,609	$ 392,386	$ 352,221	$ 330,652
Production costs	225,647	209,947	189,146	164,221	166,496
Operating margin	173,596	188,662	203,240	188,000	164,156
Amortization of property, plant and mine development	47,912	31,089	30,404	28,392	28,285
Gross profit	$ 125,684	$ 157,573	$ 172,836	$ 159,608	$ 135,871
Tonnes of ore milled	2,358,499	2,406,342	2,592,252	2,545,831	2,638,691

Gold (grams per tonne)	2.36	1.79	2.17	2.75	2.84
Gold production (ounces)	160,875	124,173	162,806	203,494	216,208
Silver production (thousands of ounces)	2,244	3,169	3,581	3,919	4,079
Zinc production (tonnes)	38,637	54,894	62,544	56,186	65,755
Copper production (tonnes)	4,126	3,216	4,224	6,671	6,922
Total cash costs per ounce of gold produced ($ per ounce basis):					
Production costs	$ 1,403	$ 1,691	$ 1,162	$ 807	$ 770
Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	(819)	(1,562)	(1,180)	(699)	(658)
Inventory and other adjustments [(i)]	1	(19)	19	1	–
Non-cash reclamation provision	(16)	(33)	(8)	(6)	(6)
Total cash costs per ounce of gold produced [(ii)]	$ 569	$ 77	$ (7)	$ 103	$ 106
Minesite costs per tonne [(ii)]	C$ 95	C$ 84	C$ 75	C$ 72	C$ 67

	Years Ended December 31,				
	2012	2011	2010	2009	2008
Goldex mine					
Revenues from mining operations	$ –	$ 217,662	$ 225,090	$ 142,493	$ 38,286
Production costs	–	56,939	61,561	54,342	20,366
Operating margin	–	160,723	163,529	88,151	17,920
Amortization of property, plant and mine development	–	16,910	21,428	21,716	7,250
Gross profit	$ –	$ 143,813	$ 142,101	$ 66,435	$ 10,670
Tonnes of ore milled	–	2,476,515	2,781,564	2,614,645	1,118,543
Gold (grams per tonne)	–	1.79	2.21	1.98	1.86
Gold production (ounces)	–	135,478	184,386	148,849	57,436
Total cash costs per ounce of gold produced ($ per ounce basis):					
Production costs	$ –	$ 420	$ 333	$ 365	$ 430
Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	–	3	4		
Inventory and other adjustments [(i)]	–	(21)	(1)	3	(9)
Non-cash reclamation provision	–	(1)	(1)	(1)	(2)
Total cash costs per ounce of gold produced [(ii)]	$ –	$ 401	$ 335	$ 367	$ 419
Minesite costs per tonne [(ii)]	C$ –	C$ 21	C$ 22	C$ 23	C$ 27

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Lapa mine					
Revenues from mining operations	$ 173,753	$ 167,536	$ 150,917	$ 43,409	$ –
Production costs	73,376	68,599	66,199	33,472	–
Operating margin	100,377	98,937	84,718	9,937	–
Amortization of property, plant and mine development	42,216	37,954	31,986	9,906	–
Gross profit	$ 58,161	$ 60,983	$ 52,732	$ 31	$ –
Tonnes of ore milled	640,306	620,712	551,739	299,430	–
Gold (grams per tonne)	6.48	6.62	8.26	7.29	–
Gold production (ounces)	106,191	107,068	117,456	52,602	–
Total cash costs per ounce of gold produced ($ per ounce basis):					
Production costs	$ 691	$ 641	$ 564	$ 636	$ –
Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	5	6	5	–	–
Inventory and other adjustments [(i)]	(1)	6	(40)	115	–
Non-cash reclamation provision	2	(3)	–	–	–

Total cash costs per ounce of gold produced [ii]	$	697	$	650	$	529	$	751	$	–
Minesite costs per tonne [ii]	C$	115	C$	110	C$	114	C$	140	C$	–

Kittila mine

Revenues from mining operations	$ 284,429	$ 225,612	$ 160,140	$ 61,457	$ –
Production costs	98,037	110,477	87,740	42,464	–
Operating margin	186,392	115,135	72,400	18,993	–
Amortization of property, plant and mine development	30,091	26,574	31,488	10,909	–
Gross profit	$ 156,301	$ 88,561	$ 40,912	$ 8,084	$ –
Tonnes of ore milled	1,090,365	1,030,764	960,365	563,238	–
Gold (grams per tonne)	5.68	5.11	5.41	5.02	–
Gold production (ounces)	175,878	143,560	126,205	71,838	–
Total cash costs per ounce of gold produced ($ per ounce basis):					
Production costs	$ 557	$ 770	$ 695	$ 648	$ –
Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	2	1	2	–	–
Inventory and other adjustments [i]	9	(10)	(38)	24	–
Non-cash reclamation provision	(3)	(1)	(2)	(4)	–
Stripping costs [iii]	–	(21)	–	–	–
Total cash costs per ounce of gold produced [ii]	$ 565	$ 739	$ 657	$ 668	$ –
Minesite costs per tonne [ii]	€ 69	€ 75	€ 66	€ 54	€ –

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Pinos Altos mine [iv]

Revenues from mining operations	$ 450,664	$ 378,329	$ 175,637	$ 14,182	$ –
Production costs	152,942	145,614	90,293	11,819	–
Operating margin	297,722	232,715	85,344	2,363	–
Amortization of property, plant and mine development	36,830	36,989	21,577	1,524	–
Gross profit	$ 260,892	$ 195,726	$ 63,767	$ 839	$ –
Tonnes of ore processed	4,394,673	4,509,407	2,318,266	227,394	–
Gold (grams per tonne)	2.02	1.80	1.95	1.08	–
Gold production (ounces)	234,837	204,380	130,431	16,189	–
Total cash costs per ounce of gold produced ($ per ounce basis):					
Production costs	$ 633	$ 712	$ 692	$ 1,227	$ –
Adjustments:					
Byproduct metal revenues, net of smelting, refining and marketing charges	(300)	(297)	(192)	(65)	–
Inventory and other adjustments [i]	11	9	22	(556)	–
Non-cash reclamation provision	(3)	(6)	(6)	(10)	–
Stripping Costs [iii]	(55)	(119)	(91)	–	–

Total cash costs per ounce of gold produced [ii]	$	286	$	299	$	425	$	596	$	–
Minesite costs per tonne [ii]	$	31	$	27	$	35	$	28	$	–

Meadowbank mine

Revenues from mining operations	$	609,625	$	434,051	$	318,351	$	–	$	–
Production costs		347,710		284,502		182,533		–		–
Operating margin		261,915		149,549		135,818		–		–
Amortization of property, plant and mine development		114,114		112,624		55,604		–		–
Gross profit	$	147,801	$	36,925	$	80,214	$	–	$	–
Tonnes of ore milled		3,820,911		2,977,722		2,000,792		–		–
Gold (grams per tonne)		3.17		3.02		4.34		–		–
Gold production (ounces)		366,030		270,801		265,659		–		–
Total cash costs per ounce of gold produced ($ per ounce basis):										
Production costs	$	950	$	1,051	$	690	$	–	$	–
Adjustments:										
Byproduct metal revenues, net of smelting, refining and marketing charges		(5)		(2)		(2)		–		–
Inventory and other adjustments [(i)]		13		(6)		26		–		–
Non-cash reclamation provision		(4)		(7)		(5)		–		–
Stripping Costs [(iii)]		(41)		(36)		(16)		–		–
Total cash costs per ounce of gold produced [(ii)]	$	913	$	1,000	$	693	$	–	$	–
Minesite costs per tonne [(ii)]	C$	88	C$	91	C$	95	C$	–	C$	–

Notes:

(i) Under the Company's revenue recognition policy, revenue is recognized on concentrates when legal title passes. As total cash costs per ounce of gold produced are calculated on a production basis, this inventory adjustment reflects the sales margin on the portion of concentrate production not yet recognized as revenue.

(ii) Total cash costs per ounce of gold produced and minesite costs per tonne are non-US GAAP measures that the Company uses to monitor the performance of its operations. See "– Results of Operations – Production Costs" above for further detail.

(iii) The Company reports total cash costs per ounce of gold produced and minesite costs per tonne using a common industry practice of deferring certain stripping costs that can be attributed to future production. The purpose of adjusting for these stripping costs is to enhance the comparability of total cash costs per ounce of gold produced and minesite costs per tonne to the Company's peers within the mining industry.

(iv) Includes the Creston Mascota deposit at Pinos Altos except for fourth quarter 2012 total cash costs per ounce of gold produced and minesite costs per tonne, as heap leach operations at the Creston Mascota deposit were suspended effective October 1, 2012.

ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors and Senior Management

The articles of the Company provide for a minimum of five and a maximum of fifteen directors. By special resolution of the shareholders of the Company approved at the annual and special meeting of the Company held on June 27, 1996, the shareholders authorized the Board to determine the number of directors within the minimum and maximum.

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).

The following is a brief biography of each of Agnico-Eagle's directors:

Dr. Leanne M. Baker , of Sebastopol, California, is an independent director of Agnico-Eagle. Dr. Baker is the President and Chief Executive Officer and a director of Sutter Gold Mining Inc. ("Sutter"), a gold company that is developing its Lincoln Project in California's Mother Lode. Sutter's shares trade on the TSX Venture Exchange and the OTCQX. Previously, Dr. Baker was employed by Salomon Smith Barney where she was one of the top-ranked mining sector equity analysts in the United States. Dr. Baker is a graduate of the Colorado School of Mines (M.S. and Ph.D. in mineral economics). Dr. Baker has been a director of Agnico-Eagle since January 1, 2003, and is also a director of Reunion Gold Corporation (a mining exploration company traded on the TSX Venture Exchange), McEwen Mining Inc. and Kimber Resources Inc. (mining exploration companies traded on the NYSE Arca and the TSX). *Area of expertise:* Corporate Finance and Mineral Economics.

Douglas R. Beaumont, P.Eng. , of Mississauga, Ontario, is an independent director of Agnico-Eagle. Mr. Beaumont, now retired, was most recently Senior Vice-President, Process Technology of SNC Lavalin. Prior to that, he was Executive Vice-President of Kilborn Engineering and Construction. Mr. Beaumont is a graduate of Queen's University (B.Sc.). Mr. Beaumont has been a director of Agnico-Eagle since February 25, 1997. *Area of expertise:* Mining and Metallurgy.

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

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

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

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

Bernard Kraft, CA , of Toronto, Ontario, is an independent director of Agnico-Eagle. Mr. Kraft is a retired senior partner of the Toronto accounting firm Kraft, Berger LLP, Chartered Accountants and now serves as a consultant to that firm. He is also a principal in Kraft Yabrov Valuations Inc. Mr. Kraft is recognized as a Designated Specialist in Investigative and Forensic Accounting by the Canadian Institute of Chartered Accountants. Mr. Kraft is a member of the Canadian Institute of

Chartered Business Valuators, the Association of Certified Fraud Examiners and the American Society of Appraisers. Mr. Kraft has been a director of Agnico-Eagle since March 12, 1992, and is also a director and a member of the Audit Committee of Harte Gold Corp. *Area of expertise:* Audit and Accounting.

Mel Leiderman, CPA, CA, TEP, ICD.D , of Toronto, Ontario, is an independent director of Agnico-Eagle. Mr. Leiderman is the managing partner of the Toronto accounting firm Lipton LLP, Chartered Accountants. He is a graduate of the University of Windsor (B.A.) and is a certified director of the Institute of Corporate Directors (ICD.D). He has been a director of Agnico-Eagle since January 1, 2003 and is also a director and a member of the Audit Committee and Corporate Governance and Compensation Committee of Colossus Minerals Inc. and a director and a member of the Audit Committee of Morguard North American Residential REIT. *Area of expertise:* Audit and Accounting.

James D. Nasso, ICD.D , of Toronto, Ontario, is Chairman of the Board of Directors and an independent director of Agnico-Eagle. Mr. Nasso is now retired. Mr. Nasso is a graduate of St. Francis Xavier University (B.Comm.) and is a certified director of the Institute of Corporate Directors (ICD.D). Mr. Nasso has been a director of Agnico-Eagle since June 27, 1986. *Area of expertise:* Management and Business Strategy.

Dr. Sean Riley , of Antigonish, Nova Scotia, is an independent director of Agnico-Eagle. Dr. Riley has served as President of St. Francis Xavier University since 1996. Prior to 1996, his career was in finance and management, first in corporate banking and later in manufacturing. Dr. Riley is a graduate of St. Francis Xavier University (B.A. (Honours)) and of Oxford University (M. Phil, D. Phil, International Relations)). Dr. Riley became a director of Agnico-Eagle on January 1, 2011. *Area of Expertise* : Management and Business Strategy.

J. Merfyn Roberts, CA , of London, England, is an independent director of Agnico-Eagle. Mr. Roberts has been a fund manager and investment advisor for more than 25 years and has been closely associated with the mining industry. Mr. Roberts is a graduate of Liverpool University (B.Sc., Geology) and Oxford University (M.Sc., Geochemistry) and is a member of the Institute of Chartered Accountants in England and Wales. He has been a director of Agnico-Eagle since June 17, 2008, and is also a director and a member of the Audit Committee and of Eastern Platinum Limited, a director and a member of the Compensation and Corporate Governance Committee of Rambler Metals and Mining plc, a director and a member of the Remuneration Committee and Audit Committee of Mena Hydrocarbons Inc. and a director of Blackheath Resources Inc. *Area of expertise:* Investment Management.

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

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

The following is a brief biography of each of Agnico-Eagle's senior officers:

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

Alain Blackburn, P.Eng. , of Oakville, Ontario, is Senior Vice-President, Exploration of Agnico-Eagle, a position he has held since December 14, 2006. Prior to that, Mr. Blackburn had been Vice-President, Exploration since October 1, 2002. Prior

to that, Mr. Blackburn served as Agnico-Eagle's Manager, Corporate Development from January 1999 and Exploration Manager from September 1996 to January 1999. Mr. Blackburn joined Agnico-Eagle in 1988 as Chief Geologist at the LaRonde mine. Mr. Blackburn is a graduate of Université du Quebec de Chicoutimi (P.Eng.) and Université du Quebec en Abitibi-Temiscamingue (M.Sc.).

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

Louise Grondin, Ing. P.Eng. , of Toronto, Ontario, is Senior Vice-President, Environment and Sustainable Development of Agnico-Eagle, a position she has held since January 1, 2011. Prior to that, Ms. Grondin was Vice President, Environment and Sustainable Development and before that she was the Regional Environmental Manager and Environmental Manager, LaRonde Division. Prior to her employment with Agnico-Eagle, Ms. Grondin worked for Billiton Canada Ltd. as Manager Environment, Human Resources and Safety. Ms. Grondin is a graduate of the University of Ottawa (B.Sc.) and McGill University (M.Sc.).

Tim Haldane, P.Eng. , of Tucson, Arizona, is Senior Vice-President, Latin America of Agnico-Eagle. Prior to joining Agnico-Eagle in May 2006, he was Vice President, Development for Glamis Gold Inc. where he participated in numerous acquisition and development activities in North America and Central America. Mr. Haldane is a graduate of the Montana School of Mines and Technology (B.S. Metallurgical Engineering) and has 30 years of experience in the precious metals and base metals industries.

R. Gregory Laing, B.A., LL.B. , of Oakville, Ontario, is General Counsel, Senior Vice-President, Legal and Corporate Secretary of Agnico-Eagle, a position he has held since December 14, 2006, prior to which, Mr. Laing had been General Counsel, Vice-President, Legal and Corporate Secretary since September 19, 2005. Prior to that, he was Vice President, Legal of Goldcorp Inc. from October 2003 to June 2005 and General Counsel, Vice President, Legal and Corporate Secretary of TVX Gold Inc. from October 1995 to January 2003. He worked as a corporate securities lawyer for two prominent Toronto law firms prior to that. Mr. Laing is a director of West Red Lake Gold Mines Inc. (a mining exploration company), traded on the Canadian National Stock Exchange. Mr. Laing is a graduate of the University of Windsor (LL.B.) and Queen's University (B.A.).

Marc H. Legault, P.Eng , of Mississauga, Ontario, is Senior Vice-President, Project Evaluations of Agnico-Eagle, a position he has held since February 2012. Prior to that, he was Vice-President, Project Development since 2007. Mr. Legault has been with Agnico-Eagle since 1988, when he was hired as an exploration geologist in Val d'Or, Quebec. Since then, he has taken on successively increasing responsibilities in the Company's exploration, mine geology and project evaluation activities. Mr. Legault is a graduate of Carleton University (M.Sc. in geology in 1985) and Queen's University at Kingston (B.Sc.H. in Geological Engineering in 1982). Marc is a registered Professional Engineer. He is also a director of Golden Goliath Resources Ltd., a mining exploration company that trades on the TSX Venture Exchange.

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

Jean Robitaille , of Oakville, Ontario, is Senior Vice-President, Technical Services and Project Development of Agnico-Eagle, a position he has held since June 2008. Prior to that, he served Agnico-Eagle in various capacities since 1988, most recently as Vice-President, Metallurgy & Marketing, General Manager, Metallurgy & Marketing and Mill Superintendent and Project Manager for the expansion of the LaRonde mill. Prior to joining Agnico-Eagle, Mr. Robitaille worked as a metallurgist with Teck Mining Group. Mr. Robitaille is a mining graduate of the College de l'Abitibi Témiscamingue with a specialty in mineral processing.

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

prior to that he was Vice-President, Investor Relations. He started work in investor relations at Agnico-Eagle in February 2005. Prior to that, he was a mining analyst at Dominion Bond Rating Service for more than five years. Mr. Smith's professional experience also includes a variety of engineering positions in the mining industry, both in Canada and abroad. He is a graduate of Queen's University (B.Sc.) and the University of Arizona (M.Sc.). Mr. Smith is also a Professional Engineer.

Yvon Sylvestre , of Mississauga, Ontario, is Senior Vice-President, Operations, a position he has held since February 2012. Prior to that, he was Vice-President, Construction; Mine General Manager at the Goldex division of Agnico-Eagle and, previously, Mill Superintendent at the LaRonde division. Mr. Sylvestre is a Metallurgical Engineering Technology graduate from Cambrian College in Sudbury. Following graduation, he served as Metallurgist and Mill Superintendent at the Joutel division of Agnico-Eagle and also held the position of Mill Superintendent at the Trollus division of Inmet Mining Corporation.

There are no arrangements or understandings between any director or executive officer and any other person pursuant to which such director or executive officer was selected to serve, nor are there any family relationships between any such persons.

Compensation of Executive Officers

The senior officers of Agnico-Eagle are:

- Sean Boyd, Vice-Chairman, President and Chief Executive Officer
- David Smith, Senior Vice-President, Finance and Chief Financial Officer
- Donald G. Allan, Senior Vice-President, Corporate Development
- Alain Blackburn, Senior Vice-President, Exploration
- Picklu Datta, Senior Vice-President, Treasury and Finance
- Louise Grondin, Senior Vice-President, Environment and Sustainable Development
- Tim Haldane, Senior Vice-President, Latin America
- R. Gregory Laing, General Counsel, Senior Vice-President, Legal and Corporate Secretary
- Marc Legault, Senior Vice-President, Project Evaluations
- Jean-Luk Pellerin, Senior Vice-President, Human Resources
- Jean Robitaille, Senior Vice-President, Technical Services and Project Development
- Yvon Sylvestre, Senior Vice-President, Operations

The following Summary Compensation Table sets out compensation during the fiscal year ended December 31, 2012 for the Vice-Chairman, President and Chief Executive Officer, the Senior Vice-President, Finance and Chief Financial Officer and the three other most highly compensated officers of the Company (the "Named Executive Officers") measured by total compensation earned during the fiscal years ended December 31, 2012, 2011 and 2010.

Summary Compensation Table

Name and Principal Position	Year	Salary	Share-Based Awards (ESPP) [2]	Share-Based Awards (RSUs) [3]	Option-Based Awards [4]	Non-Equity Incentive Plan Compensation [1]		Pension Value	All Other Compensation [5]	Total Compensation [6]
						Annual Incentive Plans	Long-Term Incentive Plans			
		(C$)	*(C$)*	*(C$)*	*(C$)*	*(C$)*	*(C$)*	*(C$)*	*(C$)*	*(C$)*
Sean Boyd	2012	1,300,000	32,500	937,573	2,700,750	3,000,000	n/a	1,519,437	19,200	9,509,460
Vice-Chairman and	2011	1,260,000	52,000		4,120,800	1,197,000	n/a	257,642	95,005	6,982,447
Chief Executive Officer	2010	1,200,000	46,250		4,893,000	1,656,000	n/a	320,034	19,200	8,134,484
David Smith [7]	2012	465,962	16,500	468,787	623,250	495,000	n/a	144,144	29,910	2,243,553
Senior Vice-President, Finance and	2011	330,000	15,000		1,030,200	350,000	n/a	102,000	21,200	1,848,400
Chief Financial Officer	2010	300,000	11,600		1,060,150	175,000	n/a	76,050	20,700	1,643,500
Ammar Al-Joundi [8]	2012	298,269	12,250	468,787	831,000	nil	n/a	44,740	nil	1,655,046
Senior Vice-President, Finance and	2011	490,000	23,750		1,030,200	457,000	n/a	119,080	56,202	2,176,232
Chief Financial Officer	2010	151,635	7,308		1,615,500[9]	322,000	n/a	nil	5,908	2,102,351
Alain Blackburn	2012	460,000	21,900	468,787	623,250	393,000	n/a	127,950	26,883	2,121,770
Senior Vice-President,	2011	438,000	15,600		1,030,200	335,000	n/a	92,980	55,092	1,966,872
Exploration	2010	425,000	15,600		1,631,000	344,000	n/a	25,350	19,200	2,460,150
Donald G. Allan	2012	460,000	21,000	468,787	623,250	426,000	n/a	132,900	25,300	2,157,237
Senior Vice-President,	2011	420,000	16,900		1,030,200	378,000	n/a	96,730	57,216	1,999,046
Corporate Development	2010	400,000	13,000		1,223,250	276,000	n/a	78,950	19,700	2,010,900
R. Gregory Laing	2012	450,000	21,000	468,787	623,250	417,000	n/a	130,050	24,800	2,134,887
General Counsel,	2011	420,000	20,000		1,030,200	343,000	n/a	113,250	19,200	1,945,650
Senior Vice-President, Legal and Corporate Secretary	2010	400,000	17,000		1,223,250	240,000	n/a	96,001	19,200	1,995,451

Notes:

(1) All amounts earned on non-equity incentive plan compensation were paid during the financial year.

(2) This represents the Company's contribution to shares purchased by the Named Executive Officers pursuant to the Employee Share Purchase Plan.

(3) These amounts represent the fair value of the restricted share units of the Company ("RSUs") granted to the respective Named Executive Officers. These amounts were calculated by multiplying the number of RSUs granted by the closing price of the Company's shares on the TSX on the day prior to the grant date. In 2012, RSU grants to the Named Executive Officers were based on a dollar amount determined by the Compensation Committee, which was divided by the 20-day volume-weighted average price of the Company's common shares on the TSX in order to determine the number of RSUs to be granted.

(4) The value of option-based awards, being C$8.31 per Option (2011 – C$17.17; 2010 – C$16.31), was determined using the Black-Scholes option pricing model. The Black-Scholes option pricing model is a commonly used pricing model that assumes the valued option can only be exercised at expiration. All options to purchase common shares of the Company ("Options") were granted at an exercise price of C$37.05 (2011 – C$76.60; 2010 – C$56.92), which was the closing price for the common shares of the Company on the TSX on the day prior to the date of grant. Key additional assumptions used were: (i) the risk free interest rate, which was 1.22% (2011 – 1.96%; 2010 – 1.87%); (ii) current time to expiration of the Option which was assumed to be 2.7 years (2011 – 2.5 years; 2010 – 2.5 years); (iii) the volatility for the common shares of the Company on the TSX, which was 37.5% (2011 – 34.63%; 2010 – 44%); and (iv) the dividend yield for the common shares of the Company, which was 2.16% (2011 – 0.88%; 2010 – 0.43%).

(5) Consists of premiums paid for term life and health insurance, automobile allowances, education and fitness benefits and, beginning in 2011, extended health coverage and computer-related allowances for the Named Executive Officers.

(6) The total compensation was paid in Canadian dollars. The Company reports its financial statements in United States dollars. On December 31, 2012 the Noon Buying Rate was C$1.00 equals US$1.0051

(7) Mr. Smith became Senior Vice-President, Finance and Chief Financial Officer on October 24, 2012; prior to that, he was the Senior Vice-President, Strategic Planning and Investor Relations of the Company.

(8) Mr. Al-Joundi resigned as Senior Vice-President, Finance and Chief Financial Officer on July 9, 2012.

(9) Mr. Al-Joundi joined the Company as Senior Vice-President, Finance and Chief Financial Officer on September 1, 2010 and received a grant of Options with a Black-Scholes value of C$14.46 on that date based an exercise price of C$69.44, a risk-free interest rate of 1.51%, a time to expiration of 5 years, a volatility of 31.4% and dividend yield of 0.24%.

RSU Plan

The Restricted Share Unit Plan (the "RSU Plan") was established by the Company to assist in the retention of the Company's employees, officers and directors by providing non-dilutive common shares to reward the individual performance of participants. Grants of RSUs are determined by the Compensation Committee (for directors and officers) or the Chief Executive Officer (for employees). RSUs vest in accordance with the vesting periods specified in the RSU Plan, which for officers and directors is on December 31 in the third year after the date of the grant of the RSU. Dividends declared on non-vested RSUs are used to purchase additional RSUs, which have the same vesting dates and expiry dates as the RSUs in respect of which such additional RSUs are added. Once vested, the common shares underlying the RSUs are transferred to a participant's vested RSU account and may be sold at the request of the participant.

If a participant's employment with the Company terminates as a result of a change of control or constructive termination within a six month period following a change of control, the participant's RSUs vest immediately. If a participant's employment is terminated for cause (as defined in the RSU Plan), the participant immediately forfeits all rights in respect of any non-vested RSUs. If a participant's employment is terminated without cause or if the participant retires or resigns from the service of the Company (including, for directors, resigning from the Board of Directors), dies while in the service of the Company or becomes disabled such that the participant receives benefits under the Company's long-term disability plan, the participant's non-vested RSUs vest immediately. The rights and obligations of the Company under the RSU Plan may be assigned by the Company to a successor in the business of the Company, to any corporation resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company or to any corporation acquiring all or substantially all of the assets or business of the Company.

Stock Option Plan

Under the Stock Option Plan, Options to purchase common shares may be granted to directors, officers, employees and consultants of the Company. The exercise price of Options granted may be denominated in Canadian dollars or United States dollars, but generally may not be less than the closing market price for the common shares of the Company on the TSX (for Options with an exercise price denominated in Canadian dollars) or the NYSE (for Options with an exercise price denominated in United States dollars) on the trading day prior to the date of grant. The maximum term of Options granted under the Stock Option Plan is five years and the maximum number of Options that can be issued in any year is 2% of the Company's outstanding common shares. In addition, a maximum of 25% of the Options granted in an Option grant vest upon the date granted with the remaining Options vesting equally on the next three anniversaries of the Option grant. The value of Options granted to non-executive directors participating in the Stock Option Plan is limited to C$100,000 per year; however, in July 2011, the Board amended its director compensation program such that non-executive directors now receive RSUs instead of Options. The number of common shares which may be reserved for issuance to any one person pursuant to Options (under the Stock Option Plan or otherwise), warrants, share purchase plans or other compensation arrangements may not exceed 5% of the outstanding common shares. Additionally, the number of common shares which may be issuable to insiders of the Company pursuant to Options (under the Stock Option Plan or otherwise), warrants, share purchase plans or other compensation arrangements, at any time, cannot exceed 10% of outstanding common shares and the number of common shares issued to insiders of the Company pursuant to Options (under the Stock Option Plan or otherwise), warrants, share purchase plans or other compensation arrangements, within any one year period, cannot exceed 10% of the outstanding common shares.

The Stock Option Plan provides for the termination of an Option held by an Option holder in the following circumstances:

- the Option expires (no later than five years after the Option was granted);
- 30 days after the Option holder ceases to be an employee, officer, director of or consultant to the Company or any subsidiary of the Company;
- twelve months after the death of the Option holder; and
- where such Option holder is a director, four years after the date he or she resigns or retires from the Board of Directors (provided that in no event will any Option expire later than five years after the Option was granted).

An Option granted under the Stock Option Plan may only be assigned to eligible assignees, including a spouse, a minor child, a minor grandchild, a trust governed by a registered retirement savings plan of such participant, a corporation controlled by such participant and of which all other shareholders are eligible assignees or a family trust of which such participant is a trustee and of which all beneficiaries are eligible assignees. Assignments must be approved by the Board of Directors and any stock exchange or other authority.

The Board of Directors may amend or revise the terms of the Stock Option Plan without the approval of shareholders as permitted by law and subject to any required approval by any stock exchange or other authority including amendments of a "housekeeping" nature, amendments necessary to comply with applicable law (including, without limitation, the rules, regulations and policies of the TSX), amendments respecting administration of the Stock Option Plan (provided such amendment does not entail an extension beyond the original expiry date), any amendment to the vesting provisions of the Stock Option Plan or any Option, any amendment to the early termination provisions of the Stock Option Plan or any Option, whether or not such Option is held by an insider (provided such amendment does not entail an extension beyond the original expiry date), the addition or modification of a cashless exercise feature, amendments necessary to suspend or terminate the Stock Option Plan and any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations and policies of the TSX). No amendment or revision to the Stock Option Plan which adversely affects the rights of any Option holder under any Option granted under the Stock Option Plan can be made without the consent of the Option holder whose rights are being affected.

In addition, no amendments to the Stock Option Plan to increase the maximum number of common shares reserved for issuance, to reduce the exercise price for any Option, to extend the term of an Option, to increase any limit on grants of Options to insiders of the Company, to amend the designation of who is an eligible participant or eligible assignee, to change the participation limits in any given year for non-executive directors or to grant additional powers to the Board to amend the Stock Option Plan or entitlements can be made without first obtaining the approval of the Company's shareholders. In response to a TSX staff notice regarding amendments to security based compensation arrangements, the Stock Option Plan was amended in 2007 such that where the Company has imposed trading restrictions on directors and officers that fall within ten trading days of the expiry of an Option, such Option's expiry date shall be the tenth day following the termination of such restrictions. The Stock Option Plan does not expressly entitle participants to convert an Option into a stock appreciation right.

Under the Stock Option Plan, only eligible persons who are not directors or officers of the Company are entitled to receive loans (on a non-recourse or limited recourse basis or otherwise), guarantees or other support arrangements from the Company to facilitate Option exercises. During 2012, no loans, guarantees or other financial assistance were provided under the Stock Option Plan.

The number of common shares currently reserved for issuance under the Stock Option Plan is 14,099,411 common shares (comprised of 11,750,991 common shares relating to Options issued but unexercised and 2,348,420 common shares relating to Options available to be issued), representing 8.2% of the Company's 172,501,169 common shares issued and outstanding as at March 11, 2013.

In 2012, officers exercised Options to receive notional proceeds of, in aggregate, C$1,185,380.50 (7 people) (C$4,089,391 (7 people) in 2011); C$21,775,538 (17 people) in 2010). In 2012, the Company received proceeds from the exercise of Options in the amount of C$6,360,030 (C$3,822,087 in 2011 and C$76,129,773 in 2010).

The following table sets out the value vested during the most recently completed financial year of the Company of incentive plan awards granted to the Named Executive Officers.

Incentive Plan Awards Table – Value Vested or Earned During Fiscal Year 2012

Name	Option-Based Awards – Value Vested During the Year	Share-Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned During the Year
	(C$)	*(C$)*	*(C$)*
Sean Boyd	nil	n/a	3,000,000
David Smith	nil	n/a	495,000
Ammar Al-Joundi	nil	n/a	nil
Alain Blackburn	nil	n/a	393,000
Donald G. Allan	nil	n/a	426,000
R. Gregory Laing	nil	n/a	417,000

The following table sets out the outstanding Option awards of the Named Executive Officers as at December 31, 2012.

Outstanding Incentive Plan Awards Table

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options**	**Option Exercise Price**	**Option Expiration Date**	**Value of Unexercised In-The-Money Options (1)**	**Number of Shares or Units of Shares that have not Vested**	**Market or Payout Value of Share Based Awards that have not Vested (1)**	**Market or Payout Value of Vested Share Based Awards not Paid Out or Distributed**
	(#)	*(C$)*		*(C$)*	*(#)*	*(C$)*	*(C$)*
Sean Boyd	200,000	54.42	1/2/2013	nil	24,660	1,285,525.80	nil
	250,000	62.77	1/2/2014	nil			
	300,000	56.92	1/4/2015	nil			
	240,000	76.60	1/4/2016	nil			
	325,000	37.05	1/3/2017	4,901,000			
David Smith	15,000	54.42	1/2/2013	nil	12,330	642,762.90	nil
	65,000	62.77	1/2/2014	nil			
	65,000	56.92	1/4/2015	nil			
	60,000	76.60	1/4/2016	nil			
	75,000	37.05	1/7/2017	1,131,000			
Ammar Al-Joundi	75,000	69.44	9/1/2015	nil	nil	nil	nil
	60,000	76.60	1/4/2016	nil			
Alain Blackburn	39,750	54.42	1/2/2013	nil	12,330	642,762.90	nil
	100,000	62.77	1/2/2014	nil			
	100,000	56.92	1/4/2015	nil			
	60,000	76.60	1/4/2016	nil			
	75,000	37.05	1/3/2017	1,131,000			
Donald G. Allan	30,000	54.42	1/2/2013	nil	12,330	642,762.90	nil
	75,000	62.77	1/2/2014	nil			
	75,000	56.92	1/4/2015	nil			
	60,000	76.60	1/4/2016	nil			
	56,250	37.05	1/3/2017	848,250			
R. Gregory Laing	60,000	54.42	1/2/2013	nil	12,330	642,762.90	nil
	75,000	62.77	1/2/2014	nil			
	75,000	56.92	1/4/2015	nil			
	60,000	76.60	1/4/2016	nil			
	75,000	37.05	1/3/2017	1,131,000			

Note:

(1) Based on a closing price of the Company's shares on the TSX of C$52.13 on December 31, 2012. On December 31, 2012, the Noon Buying Rate was C$1.00 equals US$1.0051.

The following table sets out, as at December 31, 2012, compensation plans under which equity securities of the Company are authorized for issuance from treasury. The information has been aggregated by plans approved by shareholders and plans not approved by shareholders (of which there are none).

Equity Compensation Plan Information

Plan Category	Number of securities to be issued on exercise of outstanding options	Weighted average exercise price of outstanding options	Number of securities remaining available for future issuances under equity compensation plans
Equity compensation plans approved by shareholders	10,587,126	C$56.60	3,717,785
Equity compensation plans not approved by shareholders	nil	nil	nil

Employee Share Purchase Plan

In 1997, the shareholders of the Company approved the Employee Share Purchase Plan to encourage directors, officers and full-time employees of the Company to purchase common shares of the Company. In 2009, the Employee Share Purchase Plan was amended to prohibit non-executive directors from participating in the plan. Full-time employees who have been continuously employed by the Company or its subsidiaries for at least twelve months are eligible at the beginning of each fiscal year to elect to participate in the Employee Share Purchase Plan. Eligible employees may contribute up to 10% of their basic annual salary through monthly payroll deductions or quarterly payments by cheque. The Company contributes an amount equal to 50% of the individual's contributions and issues common shares that have a market value equal to the total contributions (individual and Company) under the Employee Share Purchase Plan. In 2008, the shareholders of the Company approved an amendment to the Employee Share Purchase Plan to increase the number of shares available under such plan to 5,000,000 common shares. Of the 5,000,000 common shares approved, the Company has, as at March 11, 2013, 1,643,794 common shares remaining for issuance under the Employee Share Purchase Plan.

Pension Plan Benefits

The Company's basic defined contribution pension plan (the "Basic Plan") provides pension benefits to employees of the Company generally, including the Named Executive Officers. Under the Basic Plan, the Company contributes an amount equal to 15% of each designated executive's pensionable earnings (including salary and short-term bonus) to the Basic Plan. The Company's contributions cannot exceed the money purchase limit, as defined in the *Income Tax Act* (Canada). Upon termination, the Company's contribution to the Basic Plan ceases and the participant is entitled to a pension benefit in the amount of the vested account balance. All contributions to the Basic Plan are invested in a variety of funds offered by the plan administrator, at the direction of the participant.

In addition to the Basic Plan, effective January 1, 2008, in line with the Company's compensation policy that compensation must be competitive in order to help attract and retain the executives needed to lead and grow the Company's business and to address the weakness of the Company's retirement benefits when compared to its peers in the gold production industry, the Company adopted a supplemental defined contribution plan (the "Supplemental Plan") for designated executives at the level of Vice-President or above. On December 31 of each year, the Company credits each designated executive's account an amount equal to 15% of the designated executive's pensionable earnings for the year (including salary and short term bonus), less the Company's contribution to the Basic Plan. In addition, on December 31 of each year, the Company will credit each designated executive's account a notional investment return equal to the balance of such designated executive's account at the beginning of the year multiplied by the yield rate for Government of Canada marketable bonds with average yields over ten years. Upon retirement, after attaining the minimum age of 55, the designated executive's account will be paid out in either (a) five annual installments subsequent to the date of retirement, or (b) by way of lump sum payment, at the executive's option. If the designated executive's employment is terminated prior to reaching the age of 55, such designated executive will receive, by way of lump sum payment, the total amount credited to his or her account.

The individual Retirement Compensation Arrangement Plan (the "RCA Plan") for Mr. Boyd provides pension benefits which are generally equal (on an after-tax basis) to what the pension benefits would be if they were provided directly from a registered pension plan. There are no pension benefit limits under the RCA Plan. The RCA Plan provides an annual pension at age 60 equal to 2% of the executive's final three-year average pensionable earnings for each year of continuous service with the Company, less the annual pension payable under the Basic Plan. The pensionable earnings for the purposes of the RCA Plan consists of all basic remuneration and do not include benefits, bonuses, automobile or other allowances, or unusual payments. Payments under the RCA Plan are secured by a letter of credit from a Canadian chartered bank. Mr. Boyd may retire early, any time after reaching age 55, with a benefit based on service and final average earnings at the date of retirement, with no early retirement reduction. The Company does not have a policy to grant extra years of service under its pension plans.

The following table sets out the benefits to Mr. Boyd and the associated costs to the Company in excess of the costs under the Company's Basic Plan.

Defined Benefit Plan Table

Name	Number of Years of Service [1]	Annual Benefits Accrued		Accrued Obligation at the Start of the Year [2]	Compensatory Change [3]	Non-Compensatory Change [4]	Accrued Obligation at Year End [5]
		At Year End [1]	At age 60				
	(#)	*(C$)*	*(C$)*	*(C$)*	*(C$)*	*(C$)*	*(C$)*
Sean Boyd	27	765,223	1,079,902	7,909,256	1,495,617	1,251,952	10,656,825

Notes:

(1) As at December 31, 2012.

(2) The actuarial valuation methods and assumptions that the Company applied in quantifying the accrued obligation at the start of the year are the same as those set out in note 6 to the Company's annual audited consolidated financial statements for the year ended December 31, 2011.

(3) Includes the value of the pension earned during the year, the impact of any plan amendments and of any differences between actual and assumed compensation.

(4) Includes the impact of interest accruing on the beginning-of-year obligation and changes in the actuarial assumptions and other experience gains and losses.

(5) The actuarial valuation methods and assumptions that the Company applied in quantifying the accrued obligation at year end are the same as those set out in note 6 to the Company's annual audited consolidated financial statements for the year ended December 31, 2012.

The following tables set out summary information about the Basic Plan and the Supplemental Plan for each of the Named Executive Officers as at December 31, 2012.

Defined Contribution Plan Table – Basic Plan

Name	Accumulated Value at Start of Year	Compensatory [1]	Non-Compensatory [2]	Accumulated Value at Year End
	(C$)	*(C$)*	*(C$)*	*(C$)*
Sean Boyd	392,972	23,820	34,110	450,902
David Smith	114,126	23,820	10,187	148,133
Ammar Al-Joundi	40,950	23,820	451	65,221
Alain Blackburn	286,328	23,820	29,529	339,677
Donald G. Allan	183,762	23,820	21,066	228,648
R. Gregory Laing	121,840	23,820	11,742	157,402

Notes:

(1) Includes the total amount contributed by the Company to the member's account during 2012.

(2) Includes all investment income earned on the member's account balances during 2012.

Defined Contribution Plan Table – Supplemental Plan

Name	Accumulated Value at Start of Year	Compensatory [1]	Non-Compensatory [2]	Accumulated Value at Year End
	(C$)	*(C$)*	*(C$)*	*(C$)*
Sean Boyd [3]	nil	nil	nil	nil
David Smith	199,805	120,324	4,536	324,665
Ammar Al-Joundi	119,080	20,920	1,441	141,441
Alain Blackburn	315,664	104,130	7,166	426,960
Donald G. Allan	288,962	109,080	6,559	404,601
R. Gregory Laing	276,981	106,230	6,287	389,498

Notes:

(1) Includes the total amount notionally credited by the Company to the member's account during 2012. There was no above market investment income credited under the Supplemental Plan.

(2) Includes all investment income earned on the member's notional account balances during 2012.

(3) Mr. Boyd does not participate in the Supplemental Plan.

In 2012, the Company's Human Resources department conducted an internal market analysis using publicly available information from the Company's peer group and surveys provided by different compensation firms, notably the PricewaterhouseCoopers LLP 2012 "Mining Industry Salary Survey – Corporate Report". The information was used by the Compensation Committee and the Board of Directors in recommending and approving the salary adjustments to market and the bonus targets for the Company's senior executives.

The Compensation Committee also retained Meridian Compensation Partners in 2012 to provide consulting services with respect to designing a structure to better align the Vice-Chairman, President and Chief Executive Officer's compensation with the interests of the Company's shareholders and the performance of the Company's common shares.

Executive Compensation-Related Fees

Name of Firm	Year	Amount Paid for Compensation-Related Services
		(C$)
Mercer (Canada) Limited	2011	29,275
Meridian Compensation Partners	2012	16,419

Employment Contracts/Termination Arrangements

The Company has employment agreements with all of its executive officers that provide for an annual base salary, bonus and certain pension, health, dental and other insurance and automobile benefits. These amounts may be increased at the discretion of the Board of Directors upon the recommendation of the Compensation Committee. For the 2012 base salary for each Named Executive Officer, see "Summary Compensation Table" above. If the individual agreements are terminated other than for cause, death or disability, or upon their resignation following certain events, all of the Named Executive Officers would be entitled to a payment equal to two and one-half times their annual base salary at the date of termination plus an amount equal to two and one-half times their annual bonus (averaged over the preceding two years but not including Options) and a continuation of benefits for up to two and one-half years (or, at the election of the employee, the amount equal to the Company's cost in providing such benefits) or until the individual commences new employment. Certain events that would trigger a severance payment are:

- termination of employment without cause;
- substantial alteration of responsibilities;

- reduction of base salary or benefits;
- office relocation of greater than 100 kilometres;
- failure to obtain a satisfactory agreement from any successor to assume the individual's employment agreement or provide the individual with a comparable position, duties, salary and benefits; or
- any change in control of the Company.

If a severance payment triggering event had occurred on December 31, 2012, the severance payments that would be payable to each of the Named Executive Officers, other than Mr. Al-Joundi, would be approximately as follows: Mr. Boyd – C$8,544,250; Mr. Smith – C$2,256,025; Mr. Blackburn – C$2,127,208; Mr. Allan – C$2,218,250; and Mr. Laing – C$2,137,000.

Other than Mr. Boyd, none of the directors of the Company are party to a service contract with the Company or any of its subsidiaries that provides for benefits payable to such director upon termination of employment.

Compensation of Directors and Other Information

Mr. Boyd, who is a director and the Vice-Chairman, President and Chief Executive Officer of the Company, does not receive any remuneration for his services as director of the Company.

The table below sets out the annual retainers (annual retainers for the Chairs of the Board of Directors and other Committees are in addition to the base annual retainer) paid to the directors during the year ended December 31, 2012. Directors do not receive meeting attendance fees.

		Compensation during the year ending December 31, 2012
Annual Board retainer (base)	C$	120,000
Additional Annual retainer for Chairman of the Board	C$	120,000
Additional Annual retainer for Chairman of the Audit Committee	C$	25,000
Additional Annual retainer for Chairs of other Board Committees	C$	10,000

Effective as of July 1, 2011, director compensation was amended to more closely align the equity component of director compensation with shareholder interests by discontinuing the former practice of granting Options to non-executive directors and replacing such Option grants with grants of RSUs. As the value of RSUs tracks the value of the Company's common shares, the equity value of director compensation will now correspond directly with share price movements, thereby more closely aligning director and shareholder interests.

In January 2012 and 2013, each director was entitled to receive an annual grant of 3,000 RSUs (the Chairman of the Board was entitled to receive 4,000 RSUs in 2012 and 5,000 RSUs in 2013). However, if a director meets the minimum share ownership requirement (as described under "Director Shareholding Guidelines" below), he or she can elect to receive cash in lieu of a portion of the RSUs to be granted, subject to receipt of a minimum annual grant of 1,000 RSUs.

Director Shareholding Guidelines

To more closely align the interests of directors with those of shareholders, directors (other than Mr. Boyd) are required to own a minimum of 10,000 common shares of the Company and/or RSUs. Directors have a period of the later of: (i) two years from the date of adoption of this policy (that is, August 24, 2013) or (ii) five years from the date of joining the Board, to achieve this ownership level through open market purchases of common shares, grants of RSUs or the exercise of Options held.

As of March 11, 2013, all of the directors have satisfied the minimum share ownership requirement, other than Dr. Riley who has until January 1, 2016 and Ms. Celej who has until February 14, 2016 (five years from the date each became a director) to satisfy the minimum share ownership requirement.

The table below sets out the number and the value of common shares and RSUs held by each director of the Company.

	Aggregate common shares and RSUs owned by each director and aggregate value thereof as at March 11, 2013				
Name	**Aggregate Number of Common Shares**	**Aggregate Value of Common Shares [1]**	**Aggregate Number of RSUs**	**Aggregate Value of RSUs [1]**	**Deadline to meet Guideline**
	(#)	*(C$)*	*(#)*	*(C$)*	
Leanne M. Baker	5,500	220,000	6,000	240,000	Meets Guideline
Douglas R. Beaumont	17,960	718,400	2,000	80,000	Meets Guideline
Sean Boyd	41,142	1,645,680	124,660	4,986,400	Meets CEO Guideline [2]
Martine A. Celej	2,000	80,000	6,000	240,000	February 14, 2016
Clifford J. Davis	6,000	240,000	6,000	240,000	Meets Guideline
Robert J. Gemmell	10,000	400,000	6,000	240,000	Meets Guideline
Bernard Kraft	12,657	506,280	2,000	80,000	Meets Guideline
Mel Leiderman	6,000	240,000	6,000	240,000	Meets Guideline
James D. Nasso	18,289	731,560	5,000	200,000	Meets Guideline
Sean Riley	2,000	80,000	6,000	240,000	January 1, 2016
John Merfyn Roberts	6,000	240,000	6,000	240,000	Meets Guideline
Howard R. Stockford	7,068	282,720	4,000	160,000	Meets Guideline
Pertti Voutilainen	14,800	592,000	2,000	80,000	Meets Guideline

Notes:

(1) The valuation is calculated based on the closing price of the Company's shares on the TSX of C$40.00 on March 11, 2013.

(2) Mr. Boyd is subject to the Chief Executive Officer shareholding requirements set out under "– Share Ownership" below.

The following table sets out the compensation provided to the members of the Board of Directors, other than Mr. Boyd, for the Company's most recently completed financial year.

Director Compensation Table – 2012

Name	Fees Earned	Share-Based Awards [1]	Option-Based Awards [2]	Non-Equity Incentive Plan Compensation [3]	Pension Value	All Other Compensation	Total [4]
	(C$)	*(C$)*	*(C$)*	*(C$)*	*(C$)*	*(C$)*	*(C$)*
Leanne M. Baker	145,000	114,060	n/a	n/a	n/a	n/a	259,060
Douglas R. Beaumont	120,000	38,020	n/a	81,100	n/a	n/a	239,120
Martine A.Celej	120,000	114,060	n/a	n/a	n/a	n/a	234,060
Clifford J. Davis	130,000	114,060	n/a	n/a	n/a	n/a	244,060
Robert Gemmell	130,000	114,060	n/a	n/a	n/a	n/a	244,060
Bernard Kraft	120,000	38,020	n/a	81,100	n/a	n/a	239,120
Mel Leiderman	120,000	114,060	n/a	n/a	n/a	n/a	234,060
James D. Nasso	240,000	152,080	n/a	n/a	n/a	n/a	392,080
John Merfyn Roberts	130,000	114,060	n/a	n/a	n/a	n/a	244,060
Sean Riley	120,000	114,060	n/a	n/a	n/a	n/a	234,060
Howard R. Stockford	120,000	114,060	n/a	n/a	n/a	n/a	234,060
Pertti Voutilainen	120,000	38,020	n/a	81,100	n/a	n/a	239,120

Notes:

(1) The valuation of the grants of RSUs was calculated based on the closing price of the Company's common shares on the TSX of C$38.02 on January 4, 2012, the day prior to the date of the grant.

(2) Option-based awards are no longer granted to non-executive directors.

(3) A director who satisfies the minimum shareholding requirement may elect to receive cash in lieu of a portion of his or her grant of RSUs.

(4) Set out in Canadian dollars. On December 31, 2012 the noon buying rate as reported by the Bank of Canada (the "Noon Buying Rate") was C$1.00 equals $1.0051.

The following table sets out the value vested during the most recently completed financial year of the Company of incentive plan awards granted to the directors of the Company, other than Mr. Boyd.

Incentive Plan Awards Table – Value Vested During Fiscal Year 2012

Name	Option-Based Awards – Value Vested During the Year	Share-Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensations – Value Earned During the Year
	(C$)	*(C$)*	*(C$)*
Leanne M. Baker	4,520	nil	n/a
Douglas R. Beaumont	nil	nil	n/a
Martine A. Celej	nil	nil	n/a
Clifford J. Davis	143,064	nil	n/a
Robert Gemmell	nil	nil	n/a
Bernard Kraft	nil	nil	n/a
Mel Leiderman	nil	nil	n/a
James D. Nasso	nil	nil	n/a
Sean Riley	nil	nil	n/a
John Merfyn Roberts	143,064	nil	n/a
Howard R. Stockford	nil	nil	n/a
Pertti Voutilainen	nil	nil	n/a

The following table sets out the outstanding Option awards and RSUs of the directors of the Company, other than Mr. Boyd, as at December 31, 2012.

Outstanding Incentive Plan Awards Table – 2012

	Option-Based Awards				Share-Based Awards	
Name	**Number of Securities Underlying Unexercised Options**	**Option Exercise Price**	**Option Expiration Date**	**Value of Unexercised In-The-Money Options (1)**	**Number of Shares or Units of Shares that have not Vested**	**Market or Payout Value of Share-Based Awards that have not Vested (1)**
	(#)	*(C$)*		*(C$)*	*(#)*	*(C$)*
Leanne M. Baker	35,000	54.63(2)	1/2/2013	4,520(2)	3,000	156,390 (2)
	4,000	51.33(2)	1/4/2014			
	6,120	54.00(2)	1/2/2015			
	5,824	76.70(2)	1/4/2016			
Douglas R. Beaumont	35,000	54.42	1/2/2013	nil	1,000	52,130
	4,000	62.77	1/2/2014			
	6,120	56.92	1/2/2015			
	5,824	76.60	1/4/2016			
Martine A. Celej	4,721	70.26	2/21/2016	nil	3,000	156,390
Clifford J. Davis	1,800	33.26	11/3/2013	143,064	3,000	156,390
	4,000	62.77	1/2/2014			
	6,120	56.92	1/4/2015			
	5,824	76.60	1/4/2016			
Robert Gemmell	5,824	76.60	1/4/2016	nil	3,000	156,390
Bernard Kraft	4,000	62.77	1/2/2014	nil	1,000	52,130
	6,120	56.92	1/4/2015			
	5,824	76.60	1/4/2016			
Mel Leiderman	7,500	54.42	1/2/2013	nil	3,000	156,390
	4,000	62.77	1/2/2014			
	6,120	56.92	1/4/2015			
	5,824	76.60	1/4/2016			
James D. Nasso	53,000	54.42	1/2/2013	nil	4,000	208,520
	4,000	62.77	1/2/2014			
	6,120	56.92	1/4/2015			
	5,824	76.60	1/4/2016			
Sean Riley	5,824	76.60	1/1/2016	nil	3,000	156,390
John Merfyn Roberts	7,200	33.26	11/3/2013	143,064	3,000	156,390
	4,000	62.77	1/2/2014			
	6,120	56.92	1/4/2015			
	5,824	76.60	1/4/2016			
Howard R. Stockford	4,000	62.77	1/2/2014	nil	3,000	156,390
	6,120	56.92	1/4/2015			
	5,824	76.60	1/4/2016			
Pertti Voutilainen	35,000	54.42	1/2/2013	nil	1,000	52,130
	4,000	62.77	1/2/2014			
	6,120	56.92	1/4/2015			
	5,824	76.60	1/4/2016			

Notes:

(1) Based on a closing price of the Company's shares on the TSX of C$52.13 on December 31, 2012.

(2) The value of Dr. Baker's awards is in United States dollars and based on a closing price of the Company's shares on the NYSE of $52.46 on December 31, 2012.

In 2009, shareholders of the Company approved an amendment to the Employee Share Purchase Plan to prohibit participation by non-executive directors. During the year ended December 31, 2012, the Company issued a total of 1,830 common shares to Mr. Boyd (the only executive director) under its Employee Share Purchase Plan.

The following table sets out the attendance of each of the directors to the Board of Directors meetings and the Board Committee meetings held in 2012.

Director	Board Meetings Attended	Committee Meetings Attended
Leanne M. Baker	8 of 8	5 of 5
Douglas R. Beaumont	8 of 8	10 of 10
Sean Boyd	8 of 8	N/A
Martine A. Celej	8 of 8	5 of 5
Clifford J. Davis	8 of 8	5 of 5
Robert Gemmell	6 of 8	5 of 5
Bernard Kraft	7 of 8	9 of 9
Mel Leiderman	8 of 8	5 of 5
James D. Nasso	8 of 8	6 of 6
John Merfyn Roberts	8 of 8	4 of 4
Sean Riley	7 of 8	4 of 5
Howard R. Stockford	8 of 8	10 of 10
Pertti Voutilainen	8 of 8	4 of 4

Indebtedness of Directors, Executive Officers and Senior Officers

There is no outstanding indebtedness to the Company by any of its officers or directors. The Company's policy is not to make any loans to directors or officers.

Directors' and Officers' Liability Insurance

The Company has purchased, at its expense, directors' and officers' liability insurance policies to provide insurance against possible liabilities incurred by its directors and officers in their capacity as directors and officers of the Company. The premium for these policies for the period from December 31, 2012 to December 31, 2013 is C$1,059,359. The policies provide coverage of up to C$150 million per occurrence to a maximum of C$150 million per annum. There is no deductible for directors and officers and a C$2,500,000 deductible for each claim made by the Company (C$1 million deductible for securities claims). The insurance applies in circumstances where the Company may not indemnify its directors and officers for their acts or omissions.

Board Practices

The Board and management have been following the developments in corporate governance requirements and best practices standards in both Canada and the United States. As these requirements and practices have evolved, the Company has responded in a positive and proactive way by assessing its practices against these requirements and modifying, or targeting for modification, practices to bring them into compliance with these corporate governance requirements and best practices standards. The Company revises, from time to time, the Board Mandate and the charters for the Audit Committee, the Compensation Committee, the Corporate Governance Committee and the Health, Safety, Environment and Sustainable Development Committee (formerly the Health, Safety and Environment Committee) to reflect the new and evolving corporate governance requirements and what it believes to be best practices standards in Canada and the United States.

The Board believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Company's governance practices reflect the Board's assessment of the governance structure and process which can best serve to realize these objectives in the Company's particular circumstance. The Company's governance practices are subject to review and evaluation through the Board's Corporate Governance Committee to ensure that, as the Company's business evolves, changes in structure and process necessary to ensure continued good governance are identified and implemented.

The Company is required under the rules of the CSA to disclose its corporate governance practices and provide a description of the Company's system of corporate governance. This Statement of Corporate Governance Practices has been prepared by the Board's Corporate Governance Committee and approved by the Board.

Director Independence

The Board consists of thirteen directors. The Board has made an affirmative determination that twelve of its thirteen current members are "independent" within the meaning of the CSA rules and the standards of the NYSE. With the exception of Mr. Boyd, all directors are independent of management and free from any interest or any business that could materially interfere with their ability to act as a director with a view to the best interests of the Company. In reaching this determination, the Board considered the circumstances and relationships with the Company and its affiliates of each of its directors. In determining that all directors except Mr. Boyd are independent, the Board took into consideration the facts that none of the remaining directors is an officer or employee of the Company or party to any material contract with the Company and that none receives remuneration from the Company other than directors' fees and Option grants for service on the Board. Mr. Boyd is considered related because he is an officer of the Company. All directors, other than Mr. Boyd, also meet the independence standard as set out in SOX.

The Board may meet independently of management at the request of any director or may excuse members of management from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. The Board also meets without management before or after each Board meeting, including after each Board meeting held to consider interim and annual financial statements. In 2012, the Board met without management at each Board meeting, being eight separate occasions, including the four regularly scheduled quarterly meetings.

To promote the exercise of independent judgment by directors in considering transactions and agreements, any director or officer who has a material interest in the matter being considered may not be present for discussions relating to the matter and any such director may not participate in any vote on the matter.

Chairman

Mr. Nasso is the Chairman of the Board and Mr. Boyd is the Vice-Chairman, President and Chief Executive Officer of the Company. Mr. Nasso is not a member of management. The Board believes that the separation of the offices of Chairman and Chief Executive Officer enhances the ability of the Board to function independently of management and does not foresee that the offices of Chairman and Chief Executive Officer will be held by the same person.

The Board has adopted a position description for the Chairman of the Board. The Chairman's role is to provide leadership to directors in discharging their duties and obligations as set out in the mandate of the Board. The specific responsibilities of the Chairman include providing advice, counsel and mentorship to the Chief Executive Officer, appointing the Chair of each of the Board's committees and promoting the delivery of information to the members of the Board on a timely basis to keep them fully apprised of all matters which are material to them at all times. The Chairman's responsibilities also include scheduling, overseeing and presiding over meetings of the Board and presiding over meetings of the Company's shareholders.

Board Mandate

The Board's mandate is to provide stewardship of the Company, to oversee the management of the Company's business and affairs, to maintain its strength and integrity, to oversee the Company's strategic direction, its organization structure and succession planning of senior management and to perform any other duties required by law. The Board's strategic planning process consists of an annual review of the Company's future business plans and, from time to time (and at least annually), a meeting focused on strategic planning matters. As part of this process, the Board reviews and approves the corporate objectives proposed by the Chief Executive Officer and advises management on the development of a corporate strategy to achieve those objectives. The Board also reviews the principal risks inherent in the Company's business, including environmental, industrial and financial risks, and assesses the systems to manage these risks. The Board also

monitors the performance of senior management against the business plan through a periodic review process (at least every quarter) and reviews and approves promotion and succession matters.

The Board holds management responsible for the development of long-term strategies for the Company. The role of the Board is to review, question, validate and ultimately approve the strategies and policies proposed by management. The Board relies on management to perform the data gathering, analysis and reporting functions which are critical to the Board for effective corporate governance. In addition, the Vice-Chairman, President and Chief Executive Officer, the Senior Vice-President, Finance and Chief Financial Officer, the Senior Vice-President, Corporate Development, the Senior Vice-President, Exploration and the Senior Vice-President, Technical Services report to the Board at least every quarter on the Company's progress in the preceding quarter and on the strategic, operational and financial issues facing the Company.

Management is authorized to act, without Board approval, on all ordinary course matters relating to the Company's business. Management seeks the Board's prior approval for significant changes in the Company's affairs such as major capital expenditures, financing arrangements and significant acquisitions and divestitures. Board approval is required for any venture outside of the Company's existing businesses and for any change in senior management. Recommendations of committees of the Board require the approval of the full Board before being implemented. In addition, the Board oversees and reviews significant corporate plans and initiatives, including the annual three-year business plan and budget and significant matters of corporate strategy or policy. The Company's authorization policy and risk management policy ensure compliance with good corporate governance practices. Both policies formalize controls over the management or other employees of the Company by stipulating internal approval processes for transactions, investments, commitments and expenditures and, in the case of the risk management policy, establishing objectives and guidelines for metal price hedging, foreign exchange and short-term investment risk management and insurance. The Board, directly and through its Audit Committee, also assesses the integrity of the Company's internal control and management information systems.

The Board oversees the Company's approach to communications with shareholders and other stakeholders and approves specific communications initiatives from time to time. The Company conducts an active investor relations program. The program involves responding to shareholder inquiries, briefing analysts and fund managers with respect to reported financial results and other announcements by the Company and meeting with individual investors and other stakeholders. Senior management reports regularly to the Board on these matters. The Board reviews and approves the Company's major communications with shareholders and the public, including quarterly and annual financial results, the annual report and the management information circular. The Board has approved a Disclosure Policy which establishes standards and procedures relating to contacts with analysts and investors, news releases, conference calls, disclosure of material information, trading restrictions and blackout periods.

The Board's mandate is posted on the Company's website at www.agnico-eagle.com .

Position Descriptions

Chief Executive Officer

The Board has adopted a position description for the Chief Executive Officer, who has full responsibility for the day-to-day operation of the Company's business in accordance with the Company's strategic plan and current year operating and capital expenditure budgets as approved by the Board. In discharging his responsibility for the day-to-day operation of the Company's business, subject to the oversight by the Board, the Chief Executive Officer's specific responsibilities include:

- providing leadership and direction to the other members of the Company's senior management team;
- fostering a corporate culture that promotes ethical practices and encourages individual integrity;
- maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees at all levels;
- working with the Chairman in determining the matters and materials that should be presented to the Board;
- together with the Chairman, developing and recommending to the Board a long-term strategy and vision for the Company that leads to enhancement of shareholder value;
- developing and recommending to the Board annual business plans and budgets that support the Company's long-term strategy;
- ensuring that the day-to-day business affairs of the Company are appropriately managed;

- consistently striving to achieve the Company's financial and operating goals and objectives;
- designing or supervising the design and implementation of effective disclosure and internal controls;
- maintaining responsibility for the integrity of the financial reporting process;
- seeking to secure for the Company a satisfactory competitive position within its industry;
- ensuring that the Company has an effective management team below the level of the Chief Executive Officer and has an active plan for management development and succession;
- ensuring, in cooperation with the Chairman and the Board, that there is an effective succession plan in place for the position of Chief Executive Officer; and
- serving as the primary spokesperson for the Company.

The Chief Executive Officer is to consult with the Chairman on matters of strategic significance to the Company and alert the Chairman on a timely basis of any material changes or events that may impact upon the risk profile, financial affairs or performance of the Company.

Chairs of Board Committees

The Board has adopted written position descriptions for each of the Chairs of the Board's committees, which include the Audit Committee, the Corporate Governance Committee, the Compensation Committee and the Health, Safety, Environment and Sustainable Development Committee. The role of each of the Chairs is to ensure the effective functioning of his or her committee and provide leadership to its members in discharging the mandate as set out in the committee's charter. The responsibilities of each Chair include, among others:

- establishing procedures to govern his or her committee's work and ensure the full discharge of its duties;
- chairing every meeting of his or her committee and encouraging free and open discussion at such meetings;
- reporting to the Board on behalf of his or her committee; and
- attending every meeting of shareholders and responding to such questions from shareholders as may be put to the Chair of his or her committee.

Each of the Chairs is also responsible for carrying out other duties as requested by the Board, depending on need and circumstances.

Orientation and Continuing Education

The Corporate Governance Committee is responsible for overseeing the development and implementation of orientation programs for new directors and continuing education for all directors.

The Company maintains a collection of director orientation materials, which include the Board Mandate, the charters of the Board's committees, a memorandum on the duties of a director of a public company and a glossary of mining and accounting terms. A copy of such materials is given to each director and updated annually.

The Company holds periodic educational sessions with its directors and legal counsel to review and assess the Board's corporate governance policies. This allows new directors to become familiar with the corporate governance policies of the Company as they relate to its business. In addition, the Company provides extensive reports on all operations to the directors at each quarterly Board meeting and conducts yearly site tours for the directors at a different mine site each year.

The Corporate Governance Committee conducts an annual assessment that addresses the performance of the Board, the Board's committees and the individual directors. These assessments help identify opportunities for continuing Board and director development. In addition, it is open to any director to take a continuing education course related to the skill and knowledge necessary to meet his or her obligations as a director at the expense of the Company.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics, which provides a framework for directors, officers and employees on the conduct and ethical decision making integral to their work. In addition, the Board has adopted a Code of Business Conduct and Ethics for Consultants and Contractors. The Audit Committee is responsible for monitoring

compliance with these codes of ethics and any waivers or amendments thereto can only be made by the Board or a Board committee. These codes are available on www.sedar.com .

The Board has also adopted a Confidential Anonymous Complaint Reporting Policy, which provides procedures for officers and employees who believe that a violation of the Code of Business Conduct and Ethics has occurred to report this violation on a confidential and anonymous basis. Complaints can be made internally to the General Counsel, Senior Vice-President, Legal and Corporate Secretary or the Senior Vice-President, Finance and Chief Financial Officer. Complaints can also be made anonymously by telephone, e-mail or postal letter through a hotline provided by an independent third party service provider. The General Counsel, Senior Vice-President, Legal and Corporate Secretary periodically prepares a written report to the Audit Committee regarding the complaints, if any, received through these procedures.

The Board believes that providing a procedure for employees and officers to raise concerns about ethical conduct on an anonymous and confidential basis fosters a culture of ethical conduct within the Company.

Nomination of Directors

The Corporate Governance Committee, which is comprised entirely of independent directors, is responsible for participating in the recruitment and recommendation of new nominees for appointment or election to the Board. When considering a potential candidate, the Corporate Governance Committee considers the qualities and skills that the Board, as a whole, should have and assesses the competencies and skills of the current members of the Board. Based on the talent already represented on the Board, the Corporate Governance Committee then identifies the specific skills, personal qualities or experiences that a candidate should possess in light of the opportunities and risks facing the Company. The Corporate Governance Committee may maintain a list of potential director candidates for its future consideration and may engage outside advisors to assist in identifying potential candidates. Potential candidates are screened to ensure that they possess the requisite qualities, including integrity, business judgment and experience, business or professional expertise, independence from management, international experience, financial literacy, excellent communications skills and the ability to work well in a team situation. The Corporate Governance Committee also considers the existing commitments of a potential candidate to ensure that such candidate will be able to fulfill his or her duties as a Board member.

Compensation

Remuneration is paid to the Company's directors based on several factors, including time commitments, risk, workload and responsibility demanded by their positions. The Compensation Committee periodically reviews and fixes the amount and composition of the compensation of directors. For a summary of remuneration paid to directors, please see "Compensation of Directors and Other Information" above and the description of the Compensation Committee below.

Board Committees

The Board has four Committees: the Audit Committee, the Compensation Committee, the Corporate Governance Committee and the Health, Safety, Environment and Sustainable Development Committee.

Audit Committee

The Audit Committee is composed entirely of directors who are unrelated to and independent from the Company (currently, Dr. Baker (Chair), Mr. Kraft, Mr. Leiderman and Dr. Riley), each of whom is financially literate, as the term is used in the CSA's Multilateral Instrument 52-110 – Audit Committees. In addition, Mr. Leiderman and Mr. Kraft are Chartered Accountants; Mr. Leiderman is currently in private practice and Mr. Kraft while retired, remains active in the profession and the Board has determined that both of them qualify as audit committee financial experts, as the term is defined in the rules of the SEC. The education and experience of each member of the Audit Committee is set out under "Directors and Senior Management" above. Fees paid to the Company's auditors, Ernst & Young LLP, are set out under "Item 16C Principal Accountant Fees and Services". The Audit Committee met five times in 2012.

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

- the quality and integrity of the Company's financial reports and information;
- the Company's compliance with legal and regulatory requirements;

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

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

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

The Audit Committee is responsible for reviewing all financial statements prior to approval by the Board, all other disclosure containing financial information and all management reports which accompany any financial statements. The Audit Committee is also responsible for all internal and external audit plans, any recommendation affecting the Company's internal controls, the results of internal and external audits and any changes in accounting practices or policies. The Audit Committee reviews any accruals, provisions, estimates or related party transactions that have a significant impact on the Company's financial statements and any litigation, claim or other contingency that could have a material effect upon the Company's financial statements. In addition, the Audit Committee is responsible for assessing management's programs and policies relating to the adequacy and effectiveness of internal controls over the Company's accounting and financial systems. The Audit Committee reviews and discusses with the Chief Executive Officer and Chief Financial Officer the procedures undertaken in connection with their certifications for annual filings in accordance with the requirements of applicable securities regulatory authorities. The Audit Committee is also responsible for recommending to the Board the external auditor to be nominated for shareholder approval who will be responsible for preparing audited financial statements and completing other audit, review or attest services. The Audit Committee also recommends to the Board the compensation to be paid to the external auditor and directly oversees its work. The Company's external auditor reports directly to the Audit Committee. The Audit Committee reports directly to the Board of Directors.

The Audit Committee is entitled to retain (at the Company's expense) and determine the compensation of any independent counsel, accountants or other advisors to assist the Audit Committee in its oversight responsibilities.

Compensation Committee

The Compensation Committee is composed entirely of directors who are unrelated to and independent from the Company (currently, Mr. Gemmell (Chair), Mr. Beaumont, Ms Celej and Mr. Stockford). The Compensation Committee met five times in 2012.

The Compensation Committee is responsible for, among other things:

- recommending to the Board policies relating to compensation of the Company's executive officers;
- recommending to the Board the amount and composition of annual compensation to be paid to the Company's executive officers;
- matters relating to pension, option and other incentive plans for the benefit of executive officers;
- administering the Stock Option Plan;
- reviewing and fixing the amount and composition of annual compensation to be paid to members of the Board and committees; and
- reviewing and assessing the design and competitiveness of the Company's compensation and benefits programs generally.

The Compensation Committee reports directly to the Board. The charter of the Compensation Committee provides that each member of the Compensation Committee must be unrelated and independent.

The Board considers Messrs. Gemmell and Beaumont particularly well-qualified to serve on the Compensation Committee given the expertise they have accrued during their business careers: Mr. Gemmell as a senior manager of divisions of a major financial services company (where part of his duties included assessing personnel and setting compensation rates) and Mr. Beaumont as a founder and former senior executive of an international engineering services company (where part of his duties included oversight of the establishment of appropriate compensation structures for the organization).

Corporate Governance Committee

The Corporate Governance Committee is composed entirely of directors who are unrelated to and independent from the Company (currently, Mr. Roberts (Chair), Mr. Kraft, Mr. Nasso and Mr. Voutilainen). The Corporate Governance Committee met four times in 2012.

The Corporate Governance Committee is responsible for, among other things:

- evaluating the Company's governance practices;
- developing its response to the Company's Statement of Corporate Governance and recommending changes to the Company's governance structures or processes as it may from time to time consider necessary or desirable;
- reviewing on an annual basis the charters of the Board and of each committee of the Board and recommending any changes;
- assessing annually the effectiveness of the Board as a whole and recommending any changes;
- reviewing on a periodic basis the composition of the Board to ensure that there remain an appropriate number of independent directors; and
- participating in the recruitment and recommendation of new nominees for appointment or election to the Board.

The Corporate Governance Committee also provides a forum for a discussion of matters not readily discussed in a full Board meeting. The charter of the Corporate Governance Committee provides that each member of the Corporate Governance Committee must be independent, as such term is defined in the CSA rules.

Health, Safety, Environment and Sustainable Development Committee

The Health, Safety, Environment and Sustainable Development Committee (formerly the Health, Safety and Environment Committee) is comprised of four directors who are unrelated to and independent from the Company (currently Mr. Davis (Chair), Mr. Beaumont, Mr. Nasso and Mr. Stockford). The Health, Safety, Environment and Sustainable Development Committee met five times in 2012.

The Health, Safety, Environment and Sustainable Development Committee is responsible for, among other things:

- monitoring and reviewing sustainable development, health, safety and environmental policies, principles, practices and processes;
- overseeing sustainable development, health, safety and environmental performance; and
- monitoring and reviewing current and future regulatory issues relating to sustainable development, health, safety and the environment.

The Health, Safety, Environment and Sustainable Development Committee reports directly to the Board and provides a forum to review sustainable development, health, safety and environmental issues in a more thorough and detailed manner than could be adopted by the full Board. The Health, Safety, Environment and Sustainable Development Committee charter provides that a majority of the members of the Committee be unrelated and independent.

Assessment of Directors

The Company's Corporate Governance Committee (see description of the Corporate Governance Committee above) is responsible for the assessment of the effectiveness of the Board as a whole and participates in the recruitment and recommendation of new nominees for appointment or election to the Board of Directors.

Each of the directors participates in a detailed annual assessment of the Board and Board committees. The assessment addresses performance of the Board, each Board committee and individual directors, including through a peer to peer evaluation. A broad range of topics is covered such as Board and Board committee structure and composition, succession planning, risk management, director competencies and Board processes and effectiveness. The assessment helps identify opportunities for continuing Board and director development and also forms the basis of continuing Board participation.

Employees

As of December 31, 2012, the Company had 5,723 employees comprised of 4,045 permanent employees, 1,448 contractors, 155 temporary employees and 75 students. Of the permanent employees, 819 were employed at the LaRonde mine, 213 at the Lapa mine, 163 at the Goldex mine project, 413 at the Kittila mine, 1,220 at the Pinos Altos mine, 108 at the La India mine project, 678 at the Meadowbank mine (with 672 at Baker Lake and Meadowbank and 6 in Quebec), 21 at the Meliadine project, 25 in the exploration group in Canada and the U.S., 221 at the regional technical office in Abitibi and 116 at the corporate head office in Toronto. The number of permanent employees of the Company at the end of 2012, 2011 and 2010 was 4,045, 3,600 and 3,243, respectively.

Share Ownership

In order to align the interests of the Company and those of its officers and employees, the Company encourages ownership of common shares and facilitates this through its RSU Plan, Stock Option Plan and Employee Share Purchase Plan. The Company has also adopted executive share ownership policies: the Chief Executive Officer is required to own the equivalent of at least three years of his base salary in common shares or RSUs of the Company. Mr. Boyd, the current Chief Executive Officer of the Company, meets this share ownership value requirement. A new Chief Executive Officer would have three years after being appointed to that position to comply with this provision. Senior Vice-Presidents of the Company are required to have or own 30,000 common shares or RSUs of the Company and Vice-Presidents of the Company are required to have or own 15,000 common shares or RSUs of the Company. Senior Vice-Presidents and Vice-Presidents of the Company have the later of five years from the date of implementation of this policy (that is, October 24, 2017) or five years from the date of appointment, to meet this share ownership requirement.

As at March 11, 2013, the Named Executive Officers (other than Mr. Al-Joundi, who resigned as Senior Vice-President, Finance and Chief Financial Officer on July 9, 2012) and directors as a group (17 persons) beneficially owned or controlled (excluding Options to purchase 2,957,615 common shares) an aggregate of 454,897 common shares or approximately 0.26% of the 172,501,169 issued and outstanding common shares. See also "– Compensation of Executive Officers".

Security Ownership of Directors and Executive Officers

The following table sets out certain information concerning the direct and beneficial ownership by each director and Named Executive Officer of the Company (other than Mr. Al-Joundi, who resigned as Senior Vice-President, Finance and Chief Financial Officer on July 9, 2012) of common shares of the Company and Options to purchase common shares of the Company. Unless otherwise noted, exercise prices are in Canadian dollars.

	Share Ownership [1]	Total Common Shares under Option [2]	Common Shares under Option	Exercise Price (C$, except as noted)	Expiry Date
Leanne M. Baker Director	11,500	15,944	5,824 6,120 4,000	US$76.70 US$54.00 US$51.33	1/4/2016 1/4/2015 1/2/2014
Douglas R. Beaumont Director	19,960	15,944	5,824 6,120 4,000	76.60 56.92 62.77	1/4/2016 1/4/2015 1/2/2014

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Sean Boyd Director, Vice Chairman, President and Chief Executive Officer	165,802	952,500	162,500 240,000 300,000 250,000	37.05 76.60 56.92 62.77	1/3/2017 1/4/2016 1/4/2015 1/2/2014
Martine A. Celej Director	8,000	4,721	4,721	70.26	2/21/2016
Clifford J. Davis Director	12,000	17,744	5,824 6,120 4,000 1,800	76.60 56.92 62.77 33.26	1/4/2016 1/4/2015 1/2/2014 11/3/2013
Robert J. Gemmell Director	16,000	5,824	5,824	76.60	1/4/2016
Bernard Kraft Director	14,657	15,944	5,824 6,120 4,000	76.60 56.92 62.77	1/4/2016 1/4/2015 1/2/2014
Mel Leiderman Director	12,000	15,944	5,824 6,120 4,000	76.60 56.92 62.77	1/4/2016 1/4/2015 1/2/2014

James D. Nasso Director and Chairman of the Board	23,289	15,944	5,824 6,120 4,000	76.60 56.92 62.77	1/4/2016 1/4/2015 1/2/2014
Sean Riley Director	8,000	5,824	5,824	76.60	1/4/2016
J. Merfyn Roberts Director	12,000	23,144	5,824 6,120 4,000 7,200	76.60 56.92 62.77 33.26	1/4/2016 1/4/2015 1/2/2014 11/3/2013
Howard R. Stockford Director	11,068	15,944	5,824 6,120 4,000	76.60 56.92 62.77	1/4/2016 1/4/2015 1/2/2014
Pertti Voutilainen Director	16,800	15,944	5,824 6,120 4,000	76.60 56.92 62.77	1/4/2016 1/4/2015 1/2/2014
David Smith [3] Senior Vice-President, Finance and Chief Financial Officer	32,975	365,000	100,000 75,000 60,000 65,000 65,000	52.13 37.05 76.60 56.92 62.77	1/3/2018 1/3/2017 1/4/2016 1/4/2015 1/2/2014

Alain Blackburn Senior Vice-President, Exploration	24,449	410,000	75,000 75,000 60,000 100,000 100,000	52.13 37.05 76.60 56.92 62.77	1/3/2018 1/3/2017 1/4/2016 1/4/2015 1/2/2014
Donald G. Allan Senior Vice-President, Corporate Development	32,911	341,250	56,250 60,000 75,000 75,000	37.05 76.60 56.92 62.77	1/3/2017 1/2/2016 1/4/2015 1/2/2014
R. Gregory Laing General Counsel, Senior Vice-President, Legal and Corporate Secretary	33,486	360,000	75,000 75,000 60,000 75,000 75,000	52.13 37.05 76.60 56.92 62.77	1/3/2018 1/3/2017 1/4/2016 1/4/2015 1/2/2014

Notes:

(1) As at March 11, 2013. In each case, shareholdings (which includes common shares and RSUs) constitute less than one percent of the issued and outstanding common shares of the Company. The total number of common shares and RSUs held by directors and named executive officers constitutes approximately 0.26% of the issued and outstanding common shares of the Company as at March 11, 2013.

(2) As at March 11, 2013.

(3) Mr. Smith became Senior Vice-President, Finance and Chief Financial Officer on October 24, 2012; prior to that, he was the Senior Vice-President, Investor Relations and Strategic Planning of the Company.

ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

To the knowledge of the directors and senior officers of the Company, as at March 11, 2013, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 5% of the voting rights attached to all common shares of the Company other than as set out below:

Major Shareholder	Number of common shares	Percentage of outstanding common shares
BlackRock, Inc. (1)	20,005,396	11.63%
First Eagle Investment Management, LLC (2)	10,609,234	6.17%
FMR LLC (3)	10,934,362	6.36%
Van Eck Associates Corporation (4)	11,253,461	6.59%

Notes:

(1) According to reports filed with applicable securities regulators dated January 6, 2012, May 7, 2012, October 9, 2012 and January 9, 2013, the percentage ownership of common shares of the Company held by BlackRock, Inc. has varied from 10.31% to 9.93% to 11.85% to 11.63%, respectively.

(2) According to a report filed with applicable securities regulators dated February 11, 2013.

(3) According to reports filed with applicable securities regulators dated February 13, 2012 and February 13, 2013, the percentage ownership of common shares of the Company held by FMR LLC has varied from 4.18% to 6.36%, respectively.

(4) According to a report filed with applicable securities regulators dated February 14, 2012.

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

As at March 11, 2013, there were 3,668 holders of record of Agnico-Eagle's 172,501,169 outstanding common shares, of which 672 holders of record were in Canada and held 94,234,198 common shares or approximately 54.63% of the outstanding common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Related Party Transactions

The Company has not entered into any material related party transactions since January 1, 2012.

ITEM 8 FINANCIAL INFORMATION

The consolidated financial statements furnished pursuant to Item 18 are presented in accordance with US GAAP.

During the period under review, inflation has not had a significant impact on the Company's operations.

The Company is not aware of any legal or arbitration proceedings which may have, or have had in the recent past, a significant effect on the Company's financial position or profitability.

Dividend Policy

The Company's current policy is to pay quarterly dividends on its common shares and, on December 12, 2012, the Company announced that it had declared a quarterly dividend of $0.22 per common share, payable on March 15, 2013. In 2012, the dividend paid was $0.80 per common share (quarterly payments of $0.20 per common share). In 2011, the dividend paid was $0.64 per common share (quarterly payments of $0.16 per common share). In each of 2010, 2009 and 2008, the dividend paid was $0.18 per common share. In 2007, the dividend paid was $0.12 per common share. From 2003 to 2006, the dividend paid was $0.03 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.

ITEM 9 THE OFFER AND LISTING

Market and Listing Details

Common Shares

The Company's common shares are listed and traded in Canada on the TSX and in the United States on the NYSE.

The following table sets forth the high and low sale prices and the average daily trading volume for Agnico-Eagle's common shares on the TSX and the NYSE for each of the fiscal years in the five-year period ended December 31, 2012 and for each quarter during the fiscal years ended December 31, 2011 and 2012.

	TSX			NYSE		
	High (C$)	Low (C$)	Average Daily Volume	High ($)	Low ($)	Average Daily Volume
2008	82.80	26.60	1,184,654	83.45	20.87	3,842,836
2009	77.32	50.80	979,369	74.00	42.65	4,172,474
2010	88.52	53.16	750,312	88.20	49.64	2,508,059
2011	75.39	35.35	856,906	77.00	34.50	2,285,842
2012	56.99	31.50	831,029	57.35	31.42	2,027,502
2011						
First Quarter	75.39	62.93	781,613	77.00	63.53	2,534,857
Second Quarter	66.17	58.82	733,270	70.00	59.78	2,059,362
Third Quarter	72.51	53.05	952,868	73.09	54.19	2,297,630
Fourth Quarter	64.14	35.35	960,318	61.17	34.50	2,255,181
2012						
First Quarter	39.68	31.50	883,359	39.64	31.42	2,238,021
Second Quarter	43.98	31.91	1,003,353	43.22	31.92	2,474,042
Third Quarter	51.80	36.38	813,838	53.12	35.77	1,920,788
Fourth Quarter	56.99	49.25	623,292	57.35	49.81	1,471,676

The following table sets forth the high and low sale prices and the average daily trading volume for the Company's common shares on the TSX and the NYSE since January 1, 2012.

	TSX			NYSE		
	High (C$)	Low (C$)	Average Daily Volume	High ($)	Low ($)	Average Daily Volume
2012						
January	39.68	34.51	712,447	39.64	34.03	1,810,332
February	38.03	31.50	1,159,669	38.14	31.42	2,673,438
March	36.64	32.22	795,312	37.24	32.30	2,230,996
April	39.66	31.91	919,017	40.18	31.92	2,291,627
May	41.50	34.07	964,473	40.37	33.74	2,693,235
June	43.98	39.46	1,124,404	43.22	38.10	2,418,142
July	44.88	36.38	856,104	44.70	35.77	1,956,779
August	47.75	42.55	635,613	48.44	42.45	1,757,900
September	51.80	46.15	973,488	53.12	46.71	2,078,188
October	56.98	49.39	605,285	56.99	50.43	1,362,656
November	56.99	50.70	566,203	57.35	50.45	1,552,130
December	56.18	49.25	710,244	56.50	49.81	1,501,669
2013						
January	52.97	45.63	582,200	53.78	45.53	1,369,400
February	46.90	39.20	554,355	46.99	38.52	1,297,050
March (to March 11)	42.24	38.55	851,594	40.95	37.55	1,739,761

On March 11, 2013 the closing price of the common shares was C$40.00 on the TSX and $38.97 on the NYSE. The registrar and transfer agent for the common shares is Computershare Trust Company of Canada, Toronto, Ontario.

Warrants

The following table sets forth the high and low sale prices and the average daily trading volume for Agnico-Eagle's common share purchase warrants (the "Warrants") on the TSX for each of the fiscal years in the period beginning on April 30, 2009 (the date the Warrants were listed for trading on the TSX) and ended December 31, 2012 and for each quarter during the fiscal years ended December 31, 2011 and 2012.

	TSX		
	High ($)	**Low ($)**	**Average Daily Volume**
2009	35.01	16.50	8,482
2010	43.88	18.03	4,761
2011	31.48	4.85	9,465
2012	13.35	3.08	9,196
2011			
First Quarter	31.48	21.00	11,094
Second Quarter	25.82	19.25	11,815
Third Quarter	28.98	15.00	7,904
Fourth Quarter	20.18	4.85	7,150
2012			
First Quarter	7.50	3.99	3,553
Second Quarter	6.53	3.08	14,065
Third Quarter	11.20	3.50	11,085
Fourth Quarter	13.35	8.70	7,969

The following table sets forth the high and low sale prices and average daily trading volume for the Warrants on the TSX since January 1, 2012.

	TSX		
	High ($)	Low ($)	Average Daily Volume
2012			
January	7.50	5.30	3,194
February	6.60	4.90	5,750
March	5.75	3.99	1,714
April	5.95	3.08	19,089
May	6.00	3.30	11,893
June	6.53	4.50	12,035
July	6.66	3.50	13,468
August	8.77	6.00	6,970
September	11.20	8.08	12,998
October	13.00	9.50	5,482
November	13.35	9.35	8,837
December	12.87	8.70	10,114
2013			
January	8.00	7.63	6,489
February	5.60	2.35	11,248
March (to March 11)	2.90	2.15	4,854

On March 11, 2013, the closing price of the Warrants was $2.45 on the TSX. The registrar and transfer agent for the Warrants is Computershare Trust Company of Canada, Toronto, Ontario.

ITEM 10 ADDITIONAL INFORMATION

Memorandum and Articles of Amalgamation

Articles of Amalgamation

The Company's articles of amalgamation do not place any restrictions on the Company's objects and purposes. For more information, see the articles of amalgamation of the Company filed as Exhibit 1.01 to this Form 20-F.

Certain Powers of Directors

The *Business Corporations Act* (Ontario) (the "OBCA") requires that every director who is a party to, or who is a director or officer of, or has a material interest in, any person who is a party to, a material contract or transaction or a proposed material contract or transaction with the Company, must disclose in writing to the Company or request to have entered in the minutes of the meetings of directors the nature and extent of his or her interest, and must refrain from attending any part of a meeting of directors during which the contract or transaction is discussed and from voting on any resolution to approve the contract or transaction unless the contract or transaction is: (a) one relating primarily to his or her remuneration as a director of the corporation or an affiliate; (b) one for indemnity of or insurance for directors as contemplated under the OBCA; or (c) one with an affiliate. However, a director who is prohibited by the OBCA from voting on a material contract or proposed material contract may be counted in determining whether a quorum is present for the

purpose of the resolution, if the director disclosed his or her interest in accordance with the OBCA and the contract or transaction was reasonable and fair to the corporation at the time it was approved.

The Company's by-laws provide that the Board will from time to time determine the remuneration to be paid to the directors, which may be in addition to the salary paid to any officer or employee of the Company who is also a director. The directors may also, by resolution, award special remuneration to any director for undertaking any special services on the Company's behalf, other than the normal work ordinarily required of a director of the Company. The by-laws provide that confirmation of any such resolution by the Company's shareholders is not required.

The Company's by-laws also provide that the directors may: (a) borrow money upon the credit of the Company; (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Company, whether secured or unsecured; (c) to the extent permitted by the OBCA, give directly or indirectly financial assistance to any person by means of a loan, a guarantee on behalf of the Company to secure performance of any present or future indebtedness, liability or other obligation of any person, or otherwise; and (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, tangible or intangible property of the Company to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or other obligation of the Company.

The directors may, by resolution, amend or repeal any by-laws that regulate the business or affairs of the Company. The OBCA requires the directors to submit any such amendment or repeal to the Company's shareholders at the next meeting of shareholders, and the shareholders may confirm, reject or amend the amendment or repeal.

Retirement of Directors

The Board does not have a mandatory retirement policy for directors based solely on age. Due in part to the Board's practice of conducting annual Board, Committee and individual director evaluations, the Board approved and adopted a resignation policy primarily based on directors' performance, commitment, skills and experience. As set out in greater detail under "Item 6 Directors, Senior Management and Employees – Board Practices – Assessment of Directors", each director's performance is evaluated annually.

Directors' Share Ownership

To more closely align the interests of directors with those of shareholders, directors (other than Mr. Boyd) are required to own a minimum of 10,000 common shares of the Company and/or RSUs. Directors have a period of the later of: (i) two years from the date of adoption of this policy (that is, August 24, 2013) or (ii) five years from the date of joining the Board, to achieve this ownership level through open market purchases of common shares, grants of RSUs or the exercise of Options held.

Meetings of Shareholders

The OBCA requires the Company to call an annual shareholders' meeting not later than 15 months after holding the last preceding annual meeting and permits the Company to call a special shareholders' meeting at any time. In addition, in accordance with the OBCA, the holders of not less than 5% of the Company's shares carrying the right to vote at a meeting sought to be held may requisition the directors to call a special shareholders' meeting for the purposes stated in the requisition. The Company is required to mail a notice of meeting and management information circular to registered shareholders not less than 21 days and not more than 50 days prior to the date of any annual or special shareholders' meeting. These materials are also filed with Canadian securities regulatory authorities and furnished to the SEC. The Company's by-laws provide that a quorum of two shareholders in person or represented by proxy holding or representing by proxy at least 25% of the Company's issued shares carrying the right to vote at the meeting is required to transact business at a shareholders' meeting. Shareholders, and their duly appointed proxies and corporate representatives, as well as the Company's auditors, are entitled to be admitted to the Company's annual and special shareholders' meetings.

Authorized Capital

The Company's authorized capital consists of an unlimited number of shares of one class designated as common shares. All outstanding common shares of the Company are fully paid and non-assessable. The holders of the common shares are entitled to one vote per share at meetings of shareholders and to receive dividends if, as and when declared by the directors of the Company. In the event of voluntary or involuntary liquidation, dissolution or winding-up of the Company, after payment of all outstanding debts, the remaining assets of the Company available for distribution would be distributed rateably to the holders of the common shares. Holders of the common shares of the Company have no pre-emptive,

redemption, exchange or conversion rights. The Company may not create any class or series of shares or make any modification to the provisions attaching to the Company's common shares without the affirmative vote of two-thirds of the votes cast by the holders of the common shares.

Majority Voting Policy

As part of its ongoing review of corporate governance practices, on February 20, 2008 the Board of Directors adopted a policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" will tender his or her resignation to the Chairman of the Board of Directors promptly following the shareholders' meeting. The Corporate Governance Committee will consider the offer of resignation and will make a recommendation to the Board of Directors on whether to accept it. In considering whether or not to accept the resignation, the Corporate Governance Committee will consider all factors deemed relevant by the members of such Committee. The Corporate Governance Committee is expected to accept the resignation except in situations where the considerations would warrant the applicable director continuing to serve on the Board of Directors. The Board of Directors will make its final decision and announce it in a press release within 90 days following the shareholders' meeting. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board of Directors or the Corporate Governance Committee at which the resignation is considered.

Disclosure of Share Ownership

The Securities Act (Ontario) provides that a reporting insider must, within 10 days of becoming a reporting insider, file an insider report in the required form disclosing (a) any direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer, and (b) any interest in, or right or obligation associated with, an agreement, arrangement or understanding to which the reporting insider is a party, the effect of which is to alter, directly or indirectly, the reporting insider's economic interest in a security of the reporting issuer or economic exposure to the reporting issuer (a "related financial instrument"). A reporting insider must also file an insider report within five days of any change to (a) its direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer, or (b) its interest in, or right or obligation associated with, a related financial instrument. A reporting insider includes the directors and certain officers of a reporting issuer or a major subsidiary of a reporting issuer, and any person or company that has beneficial ownership of, or control or direction over, or a combination of beneficial ownership of, and control or direction over, securities of a reporting issuer, including securities issuable upon the exercise of conversion or purchase rights or obligations within 60 days pursuant to a single transaction or a series of linked transactions, carrying more than 10% of the voting rights attached to all the reporting issuer's outstanding voting securities, as well as the directors and certain officers of such a shareholder. The officers that are reporting insiders in respect of a reporting issuer are the following officers of the issuer, a major subsidiary of the issuer or a significant shareholder of the issuer: the chief executive officer, the chief financial officer, the chief operating officer (or persons that act in such roles or in similar capacities) and any other officer that in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed and directly or indirectly exercises significant power or influence over the business, operations, capital or development of the reporting issuer.

Additionally, the Securities Act (Ontario) provides that any person or company (an "acquiror") that acquires beneficial ownership of, or the power to exercise control or direction over, voting or equity securities of any class of a reporting issuer, including securities of that class issuable upon the exercise of conversion or purchase rights or obligations within 60 days pursuant to a single transaction or a series of linked transactions, that, when added to the person or company's securities of that class, constitute 10% or more of the outstanding securities of that class (together with any such securities held by any person or company acting jointly or in concert with the acquiror), must promptly issue and file a news release and, within two business days, file an early warning report, each containing certain prescribed information. The acquiror must also issue a news release and file a report each time (a) the acquiror, or any person or company that is acting jointly or in concert with the aquiror, acquires beneficial ownership of, or the power to exercise control or direction over, an additional 2% or more of the outstanding securities of the same class or (b) there is a change to any material fact in the disclosure set out in the report most recently filed.

The rules in the United States governing the ownership threshold above which shareholder ownership must be disclosed are more stringent than those discussed above. Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), imposes reporting requirements on persons who acquire beneficial ownership (as such term is defined in Rule 13d-3 under the Exchange Act) of more than 5% of a class of an equity security registered under Section 12 of the Exchange Act. In general, such persons must file, within ten days after such acquisition, a report of beneficial ownership with the SEC containing the information prescribed by the regulations under Section 13(d) of the

Exchange Act and promptly file an amendment to such report to disclose any material change to the information reported, including any acquisition or disposition of 1% or more of the outstanding securities of the registered class. Certain institutional investors that acquire shares in the ordinary course of business and not with the purpose or with the effect of changing or influencing the control of the issuer, are subject to lesser disclosure obligations.

Material Contracts

The Company believes the following contracts constitute the only material contracts to which it is a party.

Credit Facility

The Company entered into the Credit Facility on August 4, 2011 with a group of financial institutions providing for a $1.2 billion unsecured revolving bank credit facility that replaced the Company's previous unsecured revolving bank credit facility. The Credit Facility was subsequently amended on July 20, 2012. The Credit Facility matures and all indebtedness thereunder is due and payable on June 22, 2017. The Company, with the consent of lenders representing at least 66 $^{2}/_{3}$% of the aggregate commitments under the Credit Facility, may extend the term of the Credit Facility for additional one-year terms. The Credit Facility is available in multiple currencies through prime rate and base rate advances, priced at the applicable rate plus a margin that ranges from 0.50% to 1.75% depending on certain financial ratios and through LIBOR advances, bankers' acceptances and letters of credit, priced at the applicable rate plus a margin that ranges from 1.50% to 2.75% depending on certain financial ratios. The lenders under the Credit Facility are each paid a standby fee at a rate that ranges from 0.3375% to 0.61875% of the undrawn portion of the facility, depending on certain financial ratios. Where credit exposure for all lenders is in the aggregate equal to or greater than 50% of the aggregate commitments, the standby fee and letter of credit fee shall be increased by 0.125%, provided that, if and so long as the Company has a credit rating by S&P of at least BBB, DBRS of at least BBB or Moody's of at least Baa2, such increase shall not apply. Payment and performance of the Company's obligations under the Credit Facility are guaranteed by each of its significant subsidiaries and certain of its other subsidiaries (the "Guarantors" and, together with the Company, each an "Obligor").

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

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

The Company is also required to maintain a total net debt to EBITDA ratio below a specified maximum value as well as a minimum tangible net worth. Events of default under the Credit Facility include, among other things:

- the failure to pay principal when due and payable or interest, fees or other amounts payable within five business days of such amounts becoming due and payable;
- the breach by the Company of any financial covenant;
- the breach by any Obligor of any of its obligations or undertakings under the Credit Facility or related agreements or documents that is not cured within 30 days after written notice of the breach has been given to the Company;
- a default under any other indebtedness of the Obligors if the effect of such default is to accelerate, or to permit the acceleration of, the due date of such indebtedness in an aggregate amount of $50 million or more;
- a change of control of the Company which is defined to occur upon (a) the acquisition, directly or indirectly, by any means whatsoever, by any person, or group of persons acting jointly or in concert, (collectively, an "offeror") of

beneficial ownership of, or the power to exercise control or direction over, or securities convertible or exchangeable into, any securities of the Company carrying in aggregate (assuming the exercise of all such conversion or exchange rights in favour of the offeror) more than 50% of the aggregate votes represented by the voting stock then issued and outstanding or otherwise entitling the offeror to elect a majority of the board of directors of the Company, or (b) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the board of directors of the Company, or the election or appointment of new directors comprising one-half or more of the total number of members of the board of directors in office immediately following such election or appointment; unless, in any such case, the nomination of such directors for election or their appointment is approved by the board of directors of the Company in office immediately preceding such nomination or appointment in circumstances where such nomination or appointment is made other than as a result of a dissident public proxy solicitation, whether actual or threatened (a "Change of Control"); and

- various events relating to the bankruptcy or insolvency or winding-up, liquidation or dissolution or cessation of business of any Obligor.

As at March 11, 2013, there was approximately $1.1 million in the aggregate drawn under the Credit Facility (reflecting outstanding letters of credit).

Letter of Credit Facility

On June 26, 2012, the Company entered into the Letter of Credit Facility with The Bank of Nova Scotia, as lender, providing for a C$150 million uncommitted letter of credit facility. Under the terms of the Letter of Credit Facility, the Company may request to be issued one or more letters of credit in a maximum aggregate amount outstanding at any time not exceeding C$150 million. The Letter of Credit Facility may be used by the Company to support (a) reclamation obligations of the Company or its subsidiaries or (b) non-financial or performance obligations of the Company or its subsidiaries that are not related to reclamation obligations. If the Company fails to pay any amount of a reimbursement obligation under the Letter of Credit Facility, including any interest thereon, on the date such amount is due, the overdue amount will bear interest at equal to 2% greater than the prime rate (as calculated under the Letter of Credit Facility). Payment and performance of the Company's obligations under the Letter of Credit Facility are guaranteed by the Guarantors.

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

- the failure to pay any amount drawn under the Letter of Credit Facility within three business days of when notified or demanded by the lender;
- the breach by any Obligor of any obligation or undertaking under the Letter of Credit Facility or guarantee provided pursuant to the Letter of Credit Facility;
- a default under any other indebtedness of the Obligors if the effect of such default is to accelerate, or to permit the acceleration of, the due date of such indebtedness in an aggregate amount of $50 million or more; and
- a Change of Control.

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

As at March 11, 2013, there was approximately C$135 million in the aggregate drawn under the Letter of Credit Facility.

Note Purchase Agreements

On April 7, 2010, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of the 2010 Notes consisting of $115 million 6.13% Series A senior notes due 2017, $360 million 6.67% Series B senior notes due 2020 and $125 million 6.77% Series C senior notes due 2022 (the "2010 Note Purchase Agreement"). On July 24, 2012, the Company entered into another note purchase agreement with certain institutional investors, providing for the issuance of the 2012 Notes consisting of $100 million 4.87% Series A senior notes due 2022 and $100 million 5.02% Series B senior notes due 2024 (together with the 2010 Note Purchase Agreement, the "Note Purchase Agreements"). Payment and performance of the Company's obligations under the Note Purchase Agreements, the notes issued pursuant thereto and the obligations of the Guarantors under the guarantees are guaranteed by the Guarantors.

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

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

The Company is also required to maintain the same financial ratios and the same minimum tangible net worth under the Note Purchase Agreements as under the Credit Facility. Events of default under the Note Purchase Agreements include, among other things:

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

The Note Purchase Agreements provide that, upon certain events of default, the notes automatically become due and payable without any further action. In addition, the Note Purchase Agreements contain a "Most Favored Lender" clause which acts to incorporate into the Note Purchase Agreements any grace periods upon an event of default that are shorter in the Credit Facility than in the Note Purchase Agreements.

Warrant Indenture

The Company issued common share purchase warrants (the "Warrants") as part of a private placement on December 3, 2008. Effective April 4, 2009, the Warrants were amended and are governed by a warrant indenture (the "Indenture") between the Company and Computershare Trust Company of Canada (the "Trustee").

Each whole Warrant entitles the holder to purchase one common share of the Company at a price of $47.25, subject to adjustment as summarized below. The Warrants are exercisable at any time prior to 4:30 p.m. (Eastern Standard Time) on December 2, 2013, after which the Warrants will expire and become void and of no effect. Warrants may be surrendered for exercise or transfer at the principal office of the Trustee in Toronto.

The Indenture provides for adjustment in the number of common shares issuable on the exercise of the Warrants and/or the exercise price per Warrant on the occurrence of certain events, including:

(a) the declaration of a dividend or making of a distribution on the common shares payable in common shares or securities exchangeable for or convertible into common shares without payment of additional consideration to the holders of the common shares in proportion to their respective ownership of common shares;

(b) the subdivision, consolidation or change of the outstanding common shares into a different number of common shares;

(c) the fixing of a record date for the issuance of rights, options or warrants to all or substantially all of the holders of the common shares under which such holders are entitled, during a period expiring not more than 45 days after such record date, to subscribe for or purchase common shares, or securities exchangeable for or convertible into common shares without payment of additional consideration at a price per share of less than 95% of the Current Market Price (as defined in the Indenture) on such record date; and

(d) the fixing of a record date for the issuance or distribution to all or substantially all of the holders of the common shares of securities of the Company (including rights, options or warrants to purchase any securities of the Company), evidence of the Company's indebtedness or any property or assets (including cash or shares of any other corporation but excluding any dividends paid in accordance with a dividend policy established by the board of directors of the Company) and such issuance or distribution does not constitute an event listed in (a) to (c) above.

The Indenture also provides for adjustment in the class and/or number of securities issuable on the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (i) a reorganization, reclassification or other change of the common shares into other securities; (ii) a consolidation, amalgamation, arrangement or merger of the Company with or into another entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the common shares or a change of the common shares into other shares); (iii) an exchange of common shares for other shares or other securities or property, including cash, pursuant to the exercise of a statutory compulsory acquisition right; or (iv) a sale, conveyance or transfer (other than to a subsidiary of the Company) of the Company's undertakings or assets as an entirety or substantially as an entirety to another corporation or other entity or the completion of a take-over bid (as such term is defined under the *Securities Act* (Ontario)) resulting in the offeror, together with any persons acting jointly or in concert with the offeror, holding at least two-thirds of the then outstanding common shares in which the holders of common shares are entitled to receive shares, other securities or property, including cash.

No adjustment in the exercise price or the number of common shares purchasable on the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least one percent or the number of common shares purchasable on exercise by at least one one-hundredth of a share; provided however, that any such adjustment that is not made will be carried forward and taken into account in any subsequent adjustment.

The Company covenanted in the Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of any event that requires or may require an adjustment in any of the exercise rights pursuant to any of the Warrants at least ten days prior to the record date or effective date, as the case may be, of such event.

No fractional common shares will be issuable on the exercise of any Warrants. The Company will not pay cash or other consideration to the holder of a Warrant in lieu of fractional common shares. Except as expressly provided in the Indenture or in the Warrants, Holders of Warrants will not have any voting rights or any other rights that a holder of common shares would have (including, without limitation, the right to receive notice of or to attend meetings of shareholders or any right to receive dividends or other distributions). Holders of Warrants will have no pre-emptive rights to acquire securities of the Company.

From time to time, the Company and the Trustee, without the consent of the holders of Warrants, may amend or supplement the Indenture for certain purposes, including curing defects or inconsistencies or making any change that, in the opinion of the Trustee, does not prejudice the rights of the Trustee or the holders of the Warrants. Any amendment or supplement to the Indenture that prejudices the interests of the holders of the Warrants may only be made by "extraordinary resolution", which is defined in the Indenture as a resolution either (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the then outstanding Warrants (at least 50% for any amendment that would increase the exercise price per security, decrease the number of securities issuable upon the exercise of Warrants or shorten the term of the Warrants), or such lesser percentage constituting a quorum for this purpose under the Indenture, and passed by the affirmative vote of holders of Warrants representing not less than 66 $^{2}/_{3}$ % of the then outstanding Warrants represented at the meeting and voted on the poll on such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 $^{2}/_{3}$ % of the then outstanding Warrants.

The Warrants may not be exercised by or on behalf of a U.S. person (a "U.S. Person"), as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), a person in the United States or for the account or benefit of a U.S. Person or a person in the United States (each a "Restricted Person") unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available. The Company does not intend to register the Warrants, or the common shares issuable upon exercise of the Warrants, in the United States. The Company and Trustee will not accept subscriptions for common shares pursuant to the exercise of Warrants from any holder of Warrants who does not certify that it is not a Restricted Person.

Notwithstanding the foregoing, a Warrant may be exercised by or on behalf of Restricted Person if:

(a) the Warrant is a U.S. Warrant (as defined in the Indenture) and is exercised by an Initial U.S. Holder (as defined in the Indenture);

(b) the Warrant is a U.S. Warrant and the holder delivers a letter in the form of Schedule B to the Indenture to the Trustee; or

(c) the holder delivers to the Trustee a written opinion of United States counsel reasonably acceptable to the Company to the effect that either the Warrants and the common shares have been registered under the U.S. Securities Act or, that upon exercise of the Warrant, the common shares may be issued to the holder without registration under the U.S. Securities Act and any applicable securities laws of any state of the United States.

Warrants may not be sold or transferred except under circumstances that will not result in a violation of the U.S. Securities Act, any applicable U.S. state securities laws or any applicable Canadian securities laws. Warrants may only be sold or transferred:

(a) to the Company;

(b) outside the United States in accordance with Regulation S under the U.S. Securities Act;

(c) in the United States in compliance with the exemption from registration provided by Rule 144 under the U.S. Securities Act, if available, or in another transaction that does not require registration under the U.S. Securities Act; or

(d) pursuant to an effective registration statement under the U.S. Securities Act.

RSU Plan

The Company has an RSU Plan for directors, officers and employees of the Company. See "Item 6 Directors, Senior Management and Employees – Compensation of Executive Officers – RSU Plan". A copy of the RSU Plan is filed as Exhibit 4.05 to this Form 20-F.

Stock Option Plan

The Company has a Stock Option Plan for directors, officers, employees and service providers to the Company. See "Item 6 Directors, Senior Management and Employees – Compensation of Executive Officers – Stock Option Plan". A copy of the Stock Option Plan is filed as Exhibit 4.03 to this Form 20-F.

Employee Share Purchase Plan

The Company has an Employee Share Purchase Plan for officers and full-time employees of the Company. See "Item 6 Directors, Senior Management and Employees – Compensation of Executive Officers – Employee Share Purchase Plan". A copy of the Employee Share Purchase Plan is filed as Exhibit 4.04 to this Form 20-F.

Exchange Controls

Canada has no system of exchange controls. There are no Canadian restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no laws in Canada or exchange restrictions affecting the remittance of dividends, profits, interest, royalties and other payments to non-resident holders of the Company's securities, except as discussed in "– Canadian Federal Income Tax Considerations" below.

Restrictions on Share Ownership by Non-Canadians

There are no limitations under the laws of Canada or in the constating documents of the Company on the right of foreigners to hold or vote securities of the Company, except that the *Investment Canada Act* may require review and approval by the Minister of Industry (Canada) of certain acquisitions of "control" of the Company by a "non-Canadian". An acquisition of control may occur if one-third or more of the voting shares of the Company are acquired. "Non-Canadian" generally means an individual who is not a Canadian citizen or a permanent resident of Canada, or a corporation, partnership, trust or joint venture that is ultimately controlled by non-Canadians.

Canadian Federal Income Tax Considerations

The following is a brief summary of some of the principal Canadian federal income tax consequences generally applicable to a holder of common shares of the Company (a "U.S. holder") who deals at arm's length with the Company, holds the

shares as capital property and who, for the purposes of the *Income Tax Act* (Canada) (the "Act") and the *Canada- United States Income Tax Convention* (1980) (the "Treaty"), is at all relevant times resident in the United States, is not and is not deemed to be resident in Canada and does not use or hold and is not deemed to use or hold the shares in carrying on a business in Canada. Special rules, which are not discussed below, may apply to a U.S. holder which is an insurer that carries on business in Canada and elsewhere. This summary is of a general nature only and is not, and should not be interpreted as, legal or tax advice to any particular U.S. holder and no representation is made with respect to the Canadian federal income tax consequences to any particular person. Accordingly, U.S. holders are advised to consult their own tax advisors with respect to their particular circumstances.

Under the Act and the Treaty, a U.S. holder of common shares (including an individual or estate) who is entitled to benefits under the Treaty will generally be subject to a 15% withholding tax on dividends paid or credited or deemed by the Act to have been paid or credited on such shares. The dividends may be exempt from such withholding in the case of some U.S. holders such as qualifying pension funds and charities. A U.S. holder who is not entitled to benefits under the Treaty (or to the benefits of the Dividends Article of the Treaty) will generally be subject to Canadian withholding tax at the rate of 25% on such dividends.

In general, a U.S. holder will not be subject to Canadian income tax on capital gains arising on the disposition of shares of the Company unless, at the time of disposition, the shares are "taxable Canadian property" (as defined in the Act) and such gains are not exempted from such income tax by virtue of the Treaty. Where the shares are listed on a designated stock exchange (which includes the TSX and the NYSE) at the time of disposition, the shares will not generally be taxable Canadian property, unless at any time in the 60-month period immediately preceding the disposition (i) 25% or more of the shares of any class or series of the capital stock of the Company was owned by or belonged to one or more of the U.S. holder and persons with whom the U.S. holder did not deal at arm's length, and (ii) more than 50% of the fair market value of the shares was derived directly or indirectly from one or more of real or immovable property situated in Canada, Canadian resource properties, timber resource properties or options in respect of the foregoing or interests therein. In certain circumstances, the shares may be deemed to be taxable Canadian property of a U.S. holder. A U.S. holder who is entitled to benefits under the Treaty will be so exempted under the Treaty where the value of the shares of the Company at the time of disposition is not derived principally from real property (as defined in the Treaty) situated in Canada. For this purpose, the Treaty defines real property situated in Canada to include rights to explore for or exploit mineral deposits and other natural resources situated in Canada, rights to amounts computed by reference to the amount or value of production from such resources and certain other rights in respect of natural resources situated in Canada.

To satisfy the withholding tax liabilities of U.S. holders that are registered shareholders, the Company withholds on dividend payments made to them. For U.S. holders that are beneficial shareholders, these withholding tax obligations are typically satisfied in the ordinary course through arrangements with their broker or other intermediary.

United States Federal Income Tax Considerations

The following is a brief summary of some of the principal U.S. federal income tax consequences to a holder of common shares of the Company, who deals at arm's length with the Company, holds the shares as a capital asset and who, for the purposes of the Internal Revenue Code of 1986, as amended (the "Code") and the Treaty, is at all relevant times a U.S. Stockholder (as defined below).

As used herein, the term "U.S. Stockholder" means a holder of common shares of the Company who (for United States federal income tax purposes): (a) is a citizen or resident of the United States; (b) is a corporation created or organized in or under the laws of the United States or of any state therein; (c) is an estate the income of which is subject to United States federal income taxation regardless of its source; or (d) is a trust that either (i) has validly elected to be treated as a U.S. person or (ii) is subject to both the primary supervision of a U.S. court and the control of one or more U.S. persons with respect to all substantial trust decisions.

This summary is based on the Code, final and temporary Treasury Regulations promulgated thereunder, United States court decisions, published rulings and administrative positions of the U.S. Internal Revenue Service (the "IRS") interpreting the Code, and the Treaty, as applicable and, in each case, as in effect and available as of the date of this Form 20-F. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis and could affect the United States federal income tax consequences described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

This summary does not describe United States federal estate and gift tax considerations, nor does it describe regional, state and local tax considerations within the United States. The following summary does not purport to be a

comprehensive description of all of the possible tax considerations that may be relevant to a decision to purchase, hold or dispose of the common shares. In particular, this summary only deals with a holder who will hold the common shares as a capital asset and who does not own, directly or indirectly, 10% or more of our voting shares or of any of our direct or indirect subsidiaries. This summary does not address all of the tax consequences that may be relevant to holders in light of their particular circumstances, including but not limited to application of alternative minimum tax or rules applicable to taxpayers in special circumstances. Special rules may apply, for instance, to tax-exempt entities, banks, insurance companies, S corporations, dealers in securities or currencies, persons who will hold common shares as a position in a "straddle", hedge, constructive sale or "conversion transaction" for U.S. tax purposes, persons who have a "functional currency" other than the U.S. dollar or persons subject to U.S. taxation as expatriates. Furthermore, in general, this discussion does not address the tax consequences applicable to holders that are treated as partnerships or other pass-through entities for United States federal income tax purposes.

This summary is of a general nature only and is not, and should not be interpreted as, legal or tax advice to any particular U.S. Stockholder and no representation is made with respect to the U.S. income tax consequences to any particular person. Accordingly, U.S. Stockholders are advised to consult their own tax advisors with respect to their particular circumstances.

Dividends

For United States federal income tax purposes, the gross amount of all distributions, if any, paid with respect to the common shares out of current or accumulated earnings and profits ("E&P") to a U.S. Stockholder generally will be treated as foreign source dividend income to such holder, even though the U.S. Stockholder generally receives only a portion of the gross amount (after giving effect to the Canadian withholding tax as potentially reduced by the Treaty). United States corporations that hold the common shares generally will not be entitled to the dividends received deduction that applies to dividends received from United States corporations. To the extent a distribution exceeds E&P, it will be treated first as a return of capital to the extent of the U.S. Stockholder's adjusted basis and then as gain from the sale of a capital asset.

In the case of certain non-corporate U.S. Stockholders, including individuals and certain estates and trusts, gains from the sale of a capital asset held for longer than 12 months are taxable at a maximum federal income tax rate of 20%, while gains from the sale of a capital asset that do not meet such holding period are taxable at the rates applicable to ordinary income. Certain dividends paid to certain non-corporate U.S. Stockholders, including individuals and certain estates and trusts, generally are also subject to the 20% maximum rate. The reduced tax rates generally are available only with respect to dividends received from U.S. corporations, and from non-U.S. corporations (a) that are eligible for the benefits of a comprehensive income tax treaty with the United States that the U.S. Treasury Department determines to be satisfactory and that contains an exchange of information program, or (b) whose stock is readily tradable on an established securities market in the United States. In addition, the reduced tax rates are not available with respect to dividends received from a foreign corporation that was a passive foreign investment company in either the taxable year of the distribution or the preceding taxable year. Special rules may apply, however, to cause such dividends to be taxable at the higher rates applicable to ordinary income. For example, the reduced tax rates are not available with respect to a dividend on shares where the U.S. Stockholder does not continuously own such shares for more than 60 days during the 120-day period beginning 60 days before the ex-dividend date. Many other complex and special rules may apply as a condition to, or as a result of, the application of the reduced tax rate on dividends. U.S. Stockholders are advised to consult their own tax advisors.

For United States federal income tax purposes, the amount of any dividend paid in Canadian dollars will be the United States dollar value of the Canadian dollars at the exchange rate in effect on the date the dividend is properly included in income, whether or not the Canadian dollars are converted into United States dollars at that time. Gain or loss recognized by a U.S. Stockholder on a sale or exchange of the Canadian dollars will generally be United States source ordinary income or loss.

The withholding tax imposed by Canada generally is a creditable foreign tax for United States federal income tax purposes. Therefore, a U.S. Stockholder generally will be entitled to include the amount withheld as a foreign tax paid in computing a foreign tax credit (or in computing a deduction for foreign income taxes paid, if the holder does not elect to use the foreign tax credit provisions of the Code). The Code, however, imposes a number of limitations on the use of foreign tax credits, based on the particular facts and circumstances of each taxpayer. Investors should consult their tax advisors regarding the availability of the foreign tax credit. U.S. Stockholders that do not elect to claim foreign tax credit for a taxable year may be eligible to deduct such withholding tax imposed by Canada.

Capital Gains

Subject to the discussion below under the heading "– Passive Foreign Investment Company Considerations", gain or loss recognized by a U.S. Stockholder on the sale or other disposition of the common shares will be subject to United States federal income taxation as capital gain or loss in an amount equal to the difference between such U.S. Stockholder's adjusted basis in the common shares and the amount realized upon its disposition.

Gain on the sale of common shares held for more than one year by certain non-corporate U.S. Stockholders, including individuals and certain estates and trusts, will be taxable at a maximum rate of 20%. A reduced rate does not apply to capital gains realized by a U.S. Stockholder that is a corporation. Capital losses are generally deductible only against capital gains and not against ordinary income. In the case of an individual, however, unused capital losses in excess of capital gains may offset up to $3,000 annually of ordinary income.

Capital gain or loss recognized by a U.S. Stockholder on the sale or other disposition of common shares will generally be sourced in the United States.

Medicare Tax

Certain U.S. Stockholders who are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, dividends and capital gains from the sale or other disposition of shares, including the common shares of the Company.

Passive Foreign Investment Company Considerations

The Company will be classified as a passive foreign investment company (a "PFIC") for United States federal income tax purposes if either (i) 75% or more of its gross income is passive income or (ii) on average for the taxable year, 50% or more of its assets (by value) produce or are held for the production of passive income. Based on projections of the Company's income and assets and the manner in which the Company intends to manage its business, the Company expects that the Company will not be a PFIC. However, there can be no assurance that this will actually be the case.

If the Company were to be classified as a PFIC, the consequences to a U.S. Stockholder will depend in part on whether the U.S. Stockholder has made a "Mark-to-Market Election" or a "QEF Election" with respect to the Company. If the Company is a PFIC during a U.S. Stockholder's holding period and the U.S. Stockholder does not make a Mark-to-Market Election or a QEF Election, the U.S. Stockholder will generally be subject to special rules including interest charges.

If a U.S. Stockholder makes a Mark-to-Market Election, the U.S. Stockholder would generally be required to include in its income the excess of the fair market value of the common shares as of the close of each taxable year over the U.S. Stockholder's adjusted basis therein. If the U.S. Stockholder's adjusted basis in the common shares is greater than the fair market value of the common shares as of the close of the taxable year, the U.S. Stockholder may deduct such excess, but only up to the aggregate amount of ordinary income previously included as a result of the Mark-to-Market Election, reduced by any previous deduction taken. The U.S. Stockholder's adjusted basis in its common shares will be increased by the amount of income or reduced by the amount of deductions resulting from the Mark-to-Market Election.

A U.S. Stockholder who makes a QEF Election would generally be currently taxable on its *pro rata* share of the Company's ordinary earnings and net capital gain (at ordinary income and capital gains rates, respectively) for each taxable year that the Company is classified as a PFIC, even if no dividend distributions were received.

If for any year the Company determines that it is properly classified as a PFIC, it will comply with all reporting requirements necessary for a U.S. Stockholder to make a QEF Election and will, promptly following the end of such year and each year thereafter for which the Company is properly classified as a PFIC, provide to U.S. Stockholders the information required by the QEF Election.

Under current U.S. law, if the Company is a PFIC in any year, a U.S. Stockholder must file an annual return on IRS Form 8621, which describes the income received (or deemed to be received pursuant to a QEF Election) from the Company, any gain realized on a disposition of common shares and certain other information.

Information Reporting; Backup Withholding Tax

Dividends on and proceeds arising from a sale of common shares generally will be subject to information reporting and backup withholding tax, currently at the rate of 28%, if (a) a U.S. Stockholder fails to furnish the U.S. Stockholder's correct United States taxpayer identification number (generally on Form W-9), (b) the withholding agent is advised the U.S. Stockholder furnished an incorrect United States taxpayer identification number, (c) the withholding agent is notified by the IRS that the U.S. Stockholder has previously failed to properly report items subject to backup withholding tax, or

(d) the U.S. Stockholder fails to certify, under penalty of perjury, that the U.S. Stockholder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified the U.S. Stockholder that it is subject to backup withholding tax. However, U.S. Stockholders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Amounts withheld as backup withholding may be credited against a U.S. Stockholder's United States federal income tax liability, and a U.S. Stockholder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing any required information.

Recently enacted legislation requires U.S. individuals to report an interest in any "specified foreign financial asset" if the aggregate value of such assets owned by the U.S. individual exceeds $50,000 (or such higher amount as the IRS may prescribe in future guidance). Stock issued by a foreign corporation is treated as a specified foreign financial asset for this purpose.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or within 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (i) is, or within 10 years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

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

Available Documents

The Company's filings with the SEC, including exhibits and schedules filed with this Form 20-F, may be reviewed and copied at prescribed rates at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Further information on the public reference rooms may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site (www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. Agnico- Eagle began to file electronically with the SEC in August 2002.

Any reports, statements or other information that the Company files with the SEC may be read at the addresses indicated above and may also be accessed electronically at the web site set out above. These SEC filings are also available to the public from commercial document retrieval services.

The Company also files reports, statements and other information with the CSA and these can be accessed electronically on SEDAR at www.sedar.com.

The Company's filings with the SEC and CSA may also be accessed electronically from the Company's website at www.agnico-eagle.com.

ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Metal Price and Foreign Currency

Agnico-Eagle's net income is most sensitive to metal prices and the Canadian dollar/US dollar, Euro/US dollar and Mexican peso/US dollar exchange rates. For the purpose of the sensitivities detailed in the table below, Agnico-Eagle used the following metal price and exchange rate assumptions:

- Gold – $1,700 per ounce;
- Silver – $34 per ounce;
- Zinc – $2,000 per tonne;
- Copper – $7,500 per tonne;
- Canadian dollar/US dollar – C$1.00 per $1.00;
- Euro/US dollar – €0.77 per $1.00; and
- Mexican peso/US dollar – 13.00 Mexican pesos per $1.00.

Changes in the market price of gold can be attributed to numerous factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. Changes in the market prices of other metals can be attributed to factors such as demand and global mine production levels. Changes in exchange rates can be attributed to factors such as supply and demand for currencies and economic conditions in each country or currency area. In 2012, the ranges of metal prices and exchange rates were as follows:

- Gold: $1,527 – $1,796 per ounce, averaging $1,668 per ounce;
- Silver: $26 – $37 per ounce, averaging $31 per ounce;
- Zinc: $1,758 – $2,189 per tonne, averaging $1,947 per tonne;
- Copper: $7,251 – $8,737 per tonne, averaging $7,953 per tonne;
- Canadian dollar/US dollar: C$0.96 – C$1.04 per $1.00, averaging C$1.00 per $1.00;
- Euro/US dollar: €0.75 – €0.83 per $1.00, averaging €0.78 per $1.00; and
- Mexican peso/US dollar: 12.55 – 14.60 Mexican pesos per $1.00, averaging 13.16 Mexican pesos per $1.00.

The following table details the estimated impact on 2013 total cash costs per ounce of gold produced of a 10% change in assumed metal prices and exchange rates. A 10% change in each variable was considered in isolation while holding all other assumptions constant. Based on historical market data and the 2012 price ranges shown above, a 10% change in assumed metal prices and exchange rates is reasonably likely in 2013.

Changes in variable		Impact on Total Cash Costs per Ounce of Gold Produced
10% Silver	$	14
10% Zinc	$	5
10% Copper	$	4
10% Canadian dollar/US dollar	$	78
10% Euro/US dollar	$	11
10% Mexican peso/US dollar	$	14

In order to mitigate the impact of fluctuating byproduct metal prices, the Company occasionally enters into derivative transactions under its Metal Price Risk Management Policy, approved by the Board. The Company's policy and practice is not to sell forward its gold production. However, the policy does allow the Company to use other hedging strategies where appropriate to mitigate foreign exchange and byproduct metal pricing risks. The Company occasionally buys put options, enters into price collars and enters into forward contracts to protect minimum byproduct metal prices while maintaining

full exposure to the price of gold. The Risk Management Committee has approved the strategy of using short-term call options in an attempt to enhance the realized byproduct metal prices. The Company's policy does not allow speculative trading.

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant currency risk exposure. The Company enters into currency hedging transactions under the Company's Foreign Exchange Risk Management Policy, approved by the Board, to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), as it does not give rise to cash exposure. The Company's foreign currency derivative strategy includes the use of purchased puts, sold calls, collars and forwards. The Company's policy does not allow speculative trading.

Cost Inputs

The Company also considers and may enter into risk management strategies to mitigate price risk on certain consumables including, but not limited to, diesel fuel. These strategies have largely been confined to longer term purchasing contracts but may include financial and derivative instruments.

Interest Rates

The Company's current exposure to market risk for changes in interest rates relates primarily to drawdowns on its Credit Facility and its investment portfolio. Drawdowns on the Credit Facility are used primarily to fund a portion of the capital expenditures related to the Company's development projects and working capital requirements. As at December 31, 2012, the Company had drawn down $30.0 million on the Credit Facility. In addition, the Company invests its cash in investments with short maturities or with frequent interest reset terms and a credit rating of R1-High or better. As a result, the Company's interest income fluctuates with short-term market conditions. As at December 31, 2012, short-term investments amounted to $8.5 million.

Amounts drawn under the Credit Facility are subject to floating interest rates based on benchmark rates available in the United States and Canada or on LIBOR. In the past, the Company has entered into derivative instruments to hedge against unfavorable changes in interest rates. The Company will continue to monitor its interest rate exposure and may enter into such agreements to manage its exposure to fluctuating interest rates. In 2012, the Company entered into an interest rate derivative instrument to mitigate interest rate risk relating to the 2012 Notes.

Financial Instruments

The Company enters into contracts to limit the risk associated with decreased byproduct metal prices, increased foreign currency costs (including capital expenditures) and input costs. The contracts act as economic hedges of underlying exposures and are not held for speculative purposes. Agnico-Eagle does not use complex derivative contracts to hedge exposures. The Company uses simple contracts, such as puts and calls, collars and forwards.

Using financial instruments creates various financial risks. Credit risk is the risk that the counterparties to financial contracts will fail to perform on an obligation to the Company. Credit risk is partially mitigated by dealing with high quality counterparties such as major banks. Market liquidity risk is the risk that a financial position cannot be liquidated quickly. The Company primarily mitigates market liquidity risk by spreading out the maturity of financial contracts over time, usually based on projected production levels for the specific metal being hedged, such that the relevant markets will be able to absorb the contracts. Mark-to-market risk is the risk that an adverse change in market prices for metals will affect financial condition. Because derivative contracts are primarily used as economic hedges, changes in mark-to-market value may impact income. For a description of the accounting treatment of derivative contracts, please see "Item 5 Operating and Financial Review and Prospects – Critical Accounting Estimates – Financial Instruments".

ITEM 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

None/not applicable.

ITEM 13 DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14 MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15 CONTROLS AND PROCEDURES

Evaluation of 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, 2012 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, 2012, 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 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 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, 2012. 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, 2012, 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, 2012 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

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

Please see "Item 18 Financial Statements – Report of Independent Registered Public Accounting Firm" included in the Company's Consolidated Financial Statements which, is incorporated by reference to this Item 15.

Changes in internal control over financial reporting

Management regularly reviews its system of internal control over financial reporting and makes changes to the Company's processes and systems to improve controls and increase efficiency, while ensuring that the Company maintains an

effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

There was no change in the Company's internal control over financial reporting that occurred during the period covered by this Annual Report on Form 20-F that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 15T CONTROLS AND PROCEDURES

Not applicable.

ITEM 16A AUDIT COMMITTEE FINANCIAL EXPERT

The Board has determined that the Company shall have at least one "audit committee financial expert" (as defined in Item 16A of Form 20-F) and that Messrs. Bernard Kraft and Mel Leiderman are the Company's "audit committee financial experts" serving on the Audit Committee of the Board. Each of the Audit Committee financial experts is "independent" under applicable listing standards.

ITEM 16B CODE OF ETHICS

The Company has a "code of ethics" (as defined in Item 16B of Form 20-F) that applies to its Chief Executive Officer, Chief Financial Officer, principal accounting officer, controller and persons performing similar functions. In 2012, the Company amended its "code of ethics" to, among other things, (a) require that all employees use the information technology services provided to them by the Company in a professional, lawful and ethical manner and in accordance with the Company's information technology usage policy and (b) require the prior approval of the Company's Community Donations Committee for political donations made in the name of the Company and limit such donations to an aggregate annual limit of C$100,000, unless a greater aggregate amount has been approved by the Board. A copy of the Company's amended code of ethics has been filed as Exhibit 11.01 to this Form 20-F. The code of ethics is available on the Company's website at www.agnico-eagle.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).

ITEM 16C PRINCIPAL ACCOUNTANT FEES AND SERVICES

The Audit Committee establishes the independent auditors' compensation. In 2003, the Audit Committee established a policy to pre-approve all services provided by the Company's independent public accountant, Ernst & Young LLP. The Audit Committee determines which non-audit services the independent auditors are prohibited from providing and authorizes permitted non-audit services to be performed by the independent auditors to the extent those services are permitted by SOX and other applicable legislation and regulations. All fees paid to Ernst & Young LLP in 2012 were pre-approved by the Audit Committee.

Ernst & Young LLP has served as the Company's independent public accountant for each of the fiscal years in the three-year period ended December 31, 2012 for which audited financial statements appear in this Annual Report on Form 20-F. Fees paid to Ernst & Young LLP in 2012 and 2011 are set out below.

	Year Ended December 31,	
	2012	**2011**
	(C$ thousands)	
Audit fees	2,466	2,655
Audit-related fees	23	21
Tax fees	400	72
All other fees	167	76
Total	**3,056**	**2,824**

Audit fees were paid for professional services rendered by the auditors for the audit of Agnico-Eagle's annual financial statements and related statutory and regulatory filings and for the quarterly review of Agnico-Eagle's interim financial

statements. Audit fees also include prospectus-related fees for professional services rendered by the auditors in connection with corporate financing activities. These services consisted of the audit or review, as required, of financial statements included in the prospectuses, the review of documents filed with securities regulatory authorities, correspondence with securities regulatory authorities and all other services required by regulatory authorities in connection with the filing of these documents.

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

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

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

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

The Audit Committee has adopted a policy that requires the pre-approval of all fees paid to Ernst & Young LLP prior to the commencement of the specific engagement, and all fees referred to above were pre-approved in accordance with such policy.

ITEM 16D EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16E PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G CORPORATE GOVERNANCE

The Company is subject to a variety of corporate governance guidelines and requirements enacted by the TSX, the CSA, the NYSE and the SEC. The Company believes that it meets and often exceeds not only corporate governance legal requirements in Canada and the United States, but also the best practices recommended by securities regulators. 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.

ITEM 16H MINE SAFETY DISCLOSURE

Not applicable.

PART II

ITEM 17 FINANCIAL STATEMENTS

Not applicable.

ITEM 18 FINANCIAL STATEMENTS

Pursuant to General Instruction E(c) of Form 20-F, the registrant has elected to provide the financial statements and related information specified in Item 18, as set out below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited Agnico-Eagle Mines Limited's internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). Agnico-Eagle Mines Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying management certification report on internal control over financial reporting. Our responsibility is to express an opinion on Agnico-Eagle Mines Limited's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

In our opinion, Agnico-Eagle Mines Limited maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012 based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Agnico-Eagle Mines Limited as of December 31, 2012 and December 31, 2011, and the consolidated statements of income (loss) and comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012, and our report dated March 26, 2013 expressed an unqualified opinion thereon.

Toronto, Canada
March 26, 2013

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

MANAGEMENT CERTIFICATION

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

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2012. 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* . Based on its assessment, management concluded that, as of December 31, 2012, 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, 2012 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Toronto, Canada
March 26, 2013

By: /s/ SEAN BOYD

Sean Boyd
Vice Chairman, President and Chief Executive Officer

By: /s/ DAVID SMITH

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Agnico-Eagle Mines Limited as of December 31, 2012 and December 31, 2011, and the related consolidated statements of income (loss) and comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Agnico-Eagle Mines Limited at December 31, 2012 and December 31, 2011 and the consolidated results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2012 in conformity with United States generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Agnico-Eagle Mines Limited's internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 26, 2013 expressed an unqualified opinion thereon.

Toronto, Canada
March 26, 2013

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term investments in money market instruments with remaining maturities of three months or less at the date of purchase. Short-term investments are designated as held to maturity for accounting purposes and are carried at amortized cost, which approximates market value given the short-term nature of these investments. Agnico-Eagle places its cash and cash equivalents and short-term investments in high quality securities issued by government agencies, financial institutions and major corporations and limits the amount of credit exposure by diversifying its holdings.

Inventories

Inventories consist of ore stockpiles, concentrates, dore bars and supplies. Inventory amounts are reduced based on average cost or in the case of supplies, the lower of average cost and replacement cost. The current portion of stockpiles, ore on leach pads and inventories are determined based on the expected amounts to be processed within the next 12 months. Stockpiles, ore on leach pads and inventories not expected to be processed or used within the next 12 months are classified as long term.

Ore Stockpiles

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

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

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

Concentrates and dore bars

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

Supplies

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

Mining properties, plant and equipment and mine development costs

Significant payments related to the acquisition of land and mineral rights are capitalized as mining properties at cost. If a mineable ore body is discovered, such costs are amortized to income when production begins, using the unit-of-production method, based on estimated proven and probable reserves. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined that the property has no future economic value.

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

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

Agnico-Eagle records amortization on both plant and equipment and mine development costs used in commercial production on a unit-of-production basis based on the estimated tonnage of proven and probable mineral reserves of the mine. The unit-of-production method defines the denominator as the total proven and probable tonnes of reserves.

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

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

The carrying values of mining properties, plant and equipment and mine development costs are periodically reviewed for possible impairment, when impairment factors exist, based on the future undiscounted net cash flows of the operating mine or development property. If it is determined that the estimated net recoverable amount is less than the carrying value, then a write down to the estimated fair value amount is made with a charge to income. Estimated future cash flows of an operating mine and development properties include estimates of recoverable ounces of gold based on proven and probable mineral reserves. To the extent that economic value exists beyond the proven and probable mineral reserves of an operating mine or development property, this value is included as part of the estimated future cash flows. Estimated future cash flows also involve estimates regarding metal prices (considering current and historical prices, price trends and related factors), production levels, capital and reclamation costs, and related income and mining taxes, all based on detailed life-of-mine plans. Cash flows are subject to risks and uncertainties and changes in the estimates of the cash flows may affect the recoverability of long-lived assets.

Goodwill

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

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

Financial instruments

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

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

Revenue recognition

Revenue is recognized when the following conditions are met:

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

(b) the price is determinable;

(c) the product has been delivered; and

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

Revenue from gold and silver in the form of dore bars is recorded when the refined gold or silver is sold and delivered to the customer. Generally, all the gold and silver in the form of dore bars recovered in the Company's milling process is sold in the period in which it is produced.

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

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

Foreign currency translation

The functional currency for each of the Company's operations is the US dollar. Monetary assets and liabilities of Agnico-Eagle's operations denominated in a currency other than the US dollar are translated into US dollars using the exchange rate in effect at period end. Non-monetary assets and liabilities are translated at historical exchange rates, while revenues and expenses are translated at the average exchange rate during the period, with the exception of amortization, which is translated at historical exchange rates. Exchange gains and losses are included in income, except for gains and losses on

foreign currency contracts used to hedge specific future commitments in foreign currencies. Gains and losses on these contracts are accounted for as a component of the related hedge transactions.

Reclamation costs

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

AROs arise from the acquisition, development, construction and operation of mining properties and plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to: tailings and heap leach pad closure and rehabilitation; demolition of buildings and mine facilities; ongoing water treatment; and ongoing care and maintenance of closed mines. The fair values of AROs are measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an ARO is incurred. Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and a corresponding change in the life of mine plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. When expected cash flows increase, the revised cash flows are discounted using a current discount factor, whereas when expected cash flows decrease, the reduced cash flows are discounted using the historical discount factor used in the original estimation of the expected cash flows. In either case, any change in the fair value of the ARO is recorded. Agnico-Eagle records the fair value of an ARO when it is incurred. AROs are adjusted to reflect the passage of time (accretion), which is calculated by applying the discount factor implicit in the initial fair value measurement to the beginning of period carrying amount of the AROs. For producing mines, accretion expense is recorded in the cost of goods sold each period. Upon settlement of an ARO, Agnico-Eagle records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains/losses are recorded in income.

Environmental remediation liabilities ("ERLs") are differentiated from AROs in that they do not arise from environmental contamination in the normal operation of a long-lived asset or from a legal obligation to treat environmental contamination resulting from the acquisition, construction or development of a long-lived asset. The Company is required to recognize a liability for obligations associated with ERLs arising from past acts. ERL fair value is measured by discounting the expected related cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. On an annual basis, the Company assesses cost estimates and other assumptions used in the valuation of ERLs to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the ERL. Any change in the fair value of ERLs results in a corresponding charge or credit to income. Upon settlement of an ERL, Agnico-Eagle records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains/losses are recorded in income.

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

Income and mining taxes

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

The Company's operations require dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with taxation authorities in various jurisdictions and resolution of disputes arising from federal, provincial, state and international tax audits. The Company recognizes the effect of uncertain tax positions and records tax liabilities for anticipated tax audit issues in Canada and other tax jurisdictions where it is more likely than not based on technical merits that the position

would not be sustained. The Company recognizes the amount of any tax benefits that have a greater than 50 percent likelihood of being ultimately realized upon settlement.

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

Stock-based compensation

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

Fair value is determined using the Black-Scholes option valuation model which requires the Company to estimate the expected volatility of the Company's share price and the expected life of the stock options. Limitations with existing option valuation models and the inherent difficulties associated with estimating these variables create difficulties in determining a reliable single measure of the fair value of stock option grants. The dilutive impact of stock option grants is factored into the Company's reported diluted net income (loss) per share.

Net income (loss) per share

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

- the exercise of options or warrants is assumed to occur at the beginning of the period (or date of issuance, if later);
- the proceeds from the exercise of options or warrants, plus, in the case of options, the future period compensation expense on options granted on or after January 1, 2003, are assumed to be used to purchase common shares at the average market price during the period; and
- the incremental number of common shares is (the difference between the number of shares assumed issued and the number of shares assumed purchased) is included in the denominator of the diluted net income (loss) per share calculation.

Pension costs and obligations and post-retirement benefits

In Canada, Agnico-Eagle maintains a defined contribution plan covering all of its employees (the "Basic Plan"). The Basic Plan is funded by Company contributions based on a percentage of income for services rendered by employees. In addition, the Company has a supplemental plan for designated executives at the level of Vice-President or above (the "Supplemental Plan"). Under the Supplemental Plan, an additional 10% of the designated executives' income is contributed by the Company. The Company does not offer any other post-retirement benefits to its employees.

Agnico-Eagle also provides a non-registered supplementary executive retirement defined benefit plan for certain senior officers (the "Executives Plan"). The Executives Plan benefits are generally based on the employee's years of service and level of compensation. Pension expense related to the Executives Plan is the net of the cost of benefits provided, the interest cost of projected benefits, return on plan assets and amortization of experience gains and losses. Pension fund assets are measured at current fair values. Actuarially determined plan surpluses or deficits, experience gains or losses and the cost of pension plan improvements are amortized on a straight-line basis over the expected average remaining service life of the employee group.

Commercial production

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

Other accounting developments

Recently adopted accounting pronouncements

Fair Value Accounting

In May 2011, ASC guidance was issued related to disclosure around fair value accounting. The updated guidance clarifies different components of fair value accounting, including the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified under shareholders' equity and disclosing quantitative information about the unobservable inputs used in fair value measurements that are categorized in Level 3 of the fair value hierarchy. Adoption of this updated guidance, effective for Agnico-Eagle's fiscal year beginning January 1, 2012, had no impact on the Company's consolidated financial statements.

Comprehensive Income

In June 2011, ASC guidance was issued related to comprehensive income. Under the updated guidance, entities have the option to present total comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In addition, the update requires certain disclosure when reporting other comprehensive income. The update does not change the items reported in other comprehensive income or when an item of other comprehensive income must be reclassified to income. In December 2011, updated guidance was issued to defer the effective date pertaining to reclassification adjustments out of accumulated other comprehensive income until the FASB is able to reconsider those paragraphs. The portion of the updated guidance effective for Agnico-Eagle's fiscal year beginning January 1, 2012 had no impact on the Company's consolidated financial statements.

Goodwill Impairment

In September 2011, ASC guidance was issued related to testing goodwill for impairment. Under the updated guidance, entities are permitted to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test per ASC 350 – *Intangibles – Goodwill and Other* . Previous guidance required an entity to test goodwill for impairment, on at least an annual basis, by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit was less than its carrying amount, then the second step of the test would be performed to measure the amount of the impairment loss, if any. An entity is no longer required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount. Adoption of this updated guidance, effective for Agnico-Eagle's fiscal year beginning January 1, 2012, had no impact on the Company's consolidated financial statements.

Recently issued accounting pronouncements and developments

Under Securities and Exchange Commission ("SEC") Staff Accounting Bulletin 74, the Company is required to disclose information related to new accounting standards that have not yet been adopted. Agnico-Eagle is currently evaluating the impact that the adoption of these standards will have on the Company's consolidated financial statements.

Disclosure about Offsetting Assets and Liabilities

In November 2011, ASC guidance was issued relating to disclosure on offsetting financial instrument and derivative financial instrument assets and liabilities. Under the updated guidance, entities are required to disclose gross information and net information about both instruments and transactions eligible for offset in the consolidated balance sheets and

instruments and transactions subject to an agreement similar to a master netting arrangement. The update is effective for the Company's fiscal year beginning on January 1, 2013. Agnico-Eagle is evaluating the potential impact of the adoption of this guidance on the Company's consolidated financial statements.

Disclosure of Payments by Resource Extraction Issuers

In August 2012, the SEC adopted new rules requiring resource extraction issuers to include in an annual report information relating to any payment, whether a single payment or a series of related payments, that equals or exceeds $100,000 during the most recent fiscal year, made by the issuer, a subsidiary of the issuer or an entity under the control of the issuer, to the United States federal government or a foreign government for the purpose of the commercial development of oil, natural gas, or minerals. Resource extraction issuers will be required to provide information about the type and total amount of such payments made for each project related to the commercial development of oil, natural gas, or minerals, and the type and total amount of payments made to each government. A resource extraction issuer must comply with the new rules and form for fiscal years ending after September 30, 2013, but may provide a partial year report if the issuer's fiscal year began before September 30, 2013. The Company is evaluating the potential impact of complying with these new rules in its 2013 annual disclosure.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

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

International Financial Reporting Standards

Based on recent guidance from the Canadian Securities Administrators and the SEC, as a Canadian issuer and existing US GAAP filer, the Company will continue to be permitted to use US GAAP as its principal basis of accounting. The SEC has not yet committed to a timeline which would require the Company to adopt International Financial Reporting Standards ("IFRS"). A decision to voluntarily adopt IFRS has not been made by the Company.

Comparative figures

Certain figures in the comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2012 consolidated financial statements.

AGNICO-EAGLE MINES LIMITED
CONSOLIDATED BALANCE SHEETS
(thousands of United States dollars, US GAAP basis)

	As at December 31,	
	2012	**2011**
ASSETS		
Current		
Cash and cash equivalents	$ 298,068	$ 179,447
Short-term investments	8,490	6,570
Restricted cash (note 14)	25,450	35,441
Trade receivables (note 1)	67,750	75,899
Inventories:		
Ore stockpiles	52,342	28,155
Concentrates and dore bars	69,695	57,528
Supplies	222,630	182,389
Income taxes recoverable (note 9)	19,313	371
Available-for-sale securities (note 2(b))	44,719	145,411
Fair value of derivative financial instruments (note 15)	1,835	–
Other current assets (note 2(a))	92,977	110,369
Total current assets	903,269	821,580
Other assets (note 2(c))	55,838	88,048
Goodwill (note 10)	229,279	229,279
Property, plant and mine development (note 3)	4,067,456	3,895,355
	$ 5,255,842	$ 5,034,262

AGNICO-EAGLE MINES LIMITED
CONSOLIDATED BALANCE SHEETS (Continued)
(thousands of United States dollars, US GAAP basis)

	As at December 31,	
	2012	**2011**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (note 11)	$ 185,329	$ 203,547
Reclamation provision (note 6(a))	16,816	26,069
Dividends payable	37,905	–
Interest payable (note 5)	13,602	9,356
Income taxes payable (note 9)	10,061	–
Capital lease obligations (note 13(a))	12,955	11,068
Fair value of derivative financial instruments (note 15)	–	4,404
Total current liabilities	276,668	254,444
Long-term debt (note 5)	830,000	920,095
Reclamation provision and other liabilities (note 6)	127,735	145,988
Deferred income and mining tax liabilities (note 9)	611,227	498,572
SHAREHOLDERS' EQUITY		
Common shares (notes 7(a), 7(b) and 7(c)):		
Outstanding – 172,296,610 common shares issued, less 193,740 shares held in trust	3,241,922	3,181,381
Stock options (note 8(a))	148,032	117,694
Warrants (note 7(b))	24,858	24,858
Contributed surplus	15,665	15,166
Retained earnings (deficit)	7,046	(129,021)
Accumulated other comprehensive loss (note 7(d))	(27,311)	(7,106)
	3,410,212	3,202,972
Non-controlling interest	–	12,191
Total shareholders' equity	3,410,212	3,215,163
	$ 5,255,842	$ 5,034,262
Contingencies and commitments (notes 6, 9, 12, 13(b) and 21)		

On behalf of the Board:

Sean Boyd CPA, CA, Director

Mel Leiderman CPA, CA, Director

See accompanying notes

AGNICO-EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(thousands of United States dollars, except per share amounts, US GAAP basis)

	Years Ended December 31,		
	2012	**2011**	**2010**
REVENUES			
Revenues from mining operations (note 1)	$ 1,917,714	$ 1,821,799	$ 1,422,521
COSTS, EXPENSES AND OTHER INCOME			
Production (exclusive of amortization shown seperately below)	897,712	876,078	677,472
Exploration and corporate development	109,500	75,721	54,958
Amortization of property, plant and mine development (note 3)	271,861	261,781	192,486
General and administrative (note 16)	119,085	107,926	94,327
Impairment loss on available-for-sale securities (note 2(b))	12,732	8,569	–
Provincial capital tax	4,001	9,223	(6,075)
Interest expense (note 5)	57,887	55,039	49,493
Interest and sundry expense (income)	2,389	5,188	(10,254)
Loss (gain) on derivative financial instruments (note 15)	819	(3,683)	(7,612)
Gain on sale of available-for-sale securities (note 2(b))	(9,733)	(4,907)	(19,487)
Impairment loss on Meadowbank mine (note 18)	–	907,681	–
Loss on Goldex mine (note 17)	–	302,893	–
Gain on acquisition of Comaplex Minerals Corp., net of transaction costs (note 10)	–	–	(57,526)
Foreign currency translation loss (gain)	16,320	(1,082)	19,536
Income (loss) before income and mining taxes	435,141	(778,628)	435,203
Income and mining taxes (note 9)	124,225	(209,673)	103,087
Net income (loss) for the year	$ 310,916	$ (568,955)	$ 332,116
Attributed to non-controlling interest	$ –	$ (60)	$ –
Attributed to common shareholders	$ 310,916	$ (568,895)	$ 332,116
Net income (loss) per share – basic (note 7(e))	$ 1.82	$ (3.36)	$ 2.05
Net income (loss) per share – diluted (note 7(e))	$ 1.81	$ (3.36)	$ 2.00
Cash dividends declared per common share (note 7(a))	$ 1.02	$ –	$ 0.64

AGNICO-EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) (Continued)
(thousands of United States dollars, except per share amounts, US GAAP basis)

	Years Ended December 31,		
	2012	**2011**	**2010**
COMPREHENSIVE INCOME (LOSS)			
Net income (loss) for the year	$ 310,916	$ (568,955)	$ 332,116
Other comprehensive income (loss):			
Unrealized gain (loss) on derivative financial instrument activities (note 15)	6,902	(5,863)	–
Adjustments for derivative financial instruments settled during the year (note 15)	(2,758)	1,459	–
Unrealized (loss) gain on available-for-sale securities (note 2(b))	(27,004)	(26,874)	64,649
Adjustments for realized loss (gain) on available-for-sale securities due to dispositions and impairments during the year (note 2(b))	2,999	(4,907)	(19,487)
Net amount reclassified to net income on acquisition of business (note 10)	–	–	(64,508)
Change in unrealized gain (loss) on pension benefits liability (note 6(b))	1,148	(1,055)	(4,093)
Tax effect of other comprehensive (loss) income items	(1,492)	1,744	780
Other comprehensive loss for the year	(20,205)	(35,496)	(22,659)
Comprehensive income (loss) for the year	$ 290,711	$ (604,451)	$ 309,457
Attributed to non-controlling interest	$ –	$ (60)	$ –
Attributed to common shareholders	$ 290,711	$ (604,391)	$ 309,457

See accompanying notes

AGNICO-EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(thousands of United States dollars, US GAAP basis)

	Common Shares Outstanding							
	Shares	Amount	Stock Options	Warrants	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest
Balance December 31, 2009	156,625,174	$ 2,378,759	$ 65,771	$ 24,858	$ 15,166	$ 216,158	$ 51,049	$ –
Shares issued under employee stock option plan (note 8(a))	1,627,766	104,111	(29,447)	–	–	–	–	–
Stock options	–	–	42,230	–	–	–	–	–
Shares issued under the incentive share purchase plan (note 8(b))	229,583	14,963	–	–	–	–	–	–
Shares issued under the Company's dividend reinvestment plan	25,243	1,404	–	–	–	–	–	–
Shares issued for purchase of mining property (notes 7 (b) and 7(c))	10,225,848	579,800	–	–	–	–	–	–
Net income for the year	–	–	–	–	–	332,116	–	–
Dividends declared ($0.64 per share) (note 7(a))	–	–	–	–	–	(108,009)	–	–
Other comprehensive loss for the year	–	–	–	–	–	–	(22,659)	–
Restricted share unit plan (note 8(c))	(13,259)	(820)	–	–	–	–	–	–
Balance December 31, 2010	168,720,355	$ 3,078,217	$ 78,554	$ 24,858	$ 15,166	$ 440,265	$ 28,390	$ –
Shares issued under employee stock option plan (note 8(a))	308,688	$ 18,094	$ (4,396)	$ –	$ –	$ –	$ –	$ –
Stock options	–	–	43,536	–	–	–	–	–
Shares issued under the incentive share purchase plan (note 8(b))	360,833	19,229	–	–	–	–	–	–
Shares issued under the Company's dividend reinvestment plan	176,110	10,130	–	–	–	–	–	–
Shares issued for purchase of mining property (note 7(c))	1,250,477	56,146	–	–	–	–	–	–
Non-controlling interest addition upon acquisition	–	–	–	–	–	–	–	12,251
Net loss for the year attributed to common shareholders	–	–	–	–	–	(568,895)	–	–
Net loss for the year attributed to non-controlling interest	–	–	–	–	–	–	–	(60)
Dividends declared (nil per share) (note 7(a))	–	–	–	–	–	(391)	–	–
Other comprehensive loss for the year	–	–	–	–	–	–	(35,496)	–

Restricted share unit plan (note 8(c))	(2,727)	(435)	–	–	–	–	–	–
Balance December 31, 2011	170,813,736	$ 3,181,381	$ 117,694	$ 24,858	$ 15,166	$ (129,021)	$ (7,106)	$ 12,191

AGNICO-EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)
(thousands of United States dollars, US GAAP basis)

	Common Shares Outstanding							
	Shares	Amount	Stock Options	Warrants	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest
Shares issued under employee stock option plan (note 8(a))	416,275	$ 22,968	$ (4,759)	$ –	$ –	$ –	$ –	$ –
Stock options	–	–	35,097	–	–	–	–	–
Shares issued under the incentive share purchase plan (note 8(b))	507,235	21,671	–	–	–	–	–	–
Shares issued under the Company's dividend reinvestment plan	444,555	18,907	–	–	–	–	–	–
Shares issued for purchase of mining property (note 7(c))	68,941	2,447	–	–	499	–	–	–
Non-controlling interest eliminated upon acquisition	–	–	–	–	–	–	–	(12,191)
Net income for the year	–	–	–	–	–	310,916	–	–
Dividends declared ($1.02 per share) (note 7(a))	–	–	–	–	–	(174,849)	–	–
Other comprehensive loss for the year	–	–	–	–	–	–	(20,205)	–
Restricted share unit plan (note 8(c))	(147,872)	(5,452)	–	–	–	–	–	–
Balance December 31, 2012	172,102,870	$ 3,241,922	$ 148,032	$ 24,858	$ 15,665	$ 7,046	$ (27,311)	$ –

See accompanying notes

AGNICO-EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(thousands of United States dollars, US GAAP basis)

	Years Ended December 31,		
	2012	**2011**	**2010**
Operating activities			
Net income (loss) for the year	$ 310,916	$ (568,955)	$ 332,116
Add (deduct) items not affecting cash:			
Amortization of property, plant and mine development (note 3)	271,861	261,781	192,486
Deferred income and mining taxes (note 9)	72,145	(275,773)	66,928
Gain on sale of available-for-sale securities (note 2(b))	(9,733)	(4,907)	(19,487)
Stock-based compensation (note 8)	47,632	51,873	45,672
Impairment loss on Meadowbank mine (note 18)	–	907,681	–
Loss on Goldex mine (note 17)	–	302,893	–
Gain on acquisition of Comaplex Minerals Corp. (note 10)	–	–	(64,508)
Foreign currency translation loss (gain)	16,320	(1,082)	19,536
Other	28,780	31,561	13,015
Adjustment for settlement of environmental remediation	(21,449)	(7,616)	–
Changes in non-cash working capital balances:			
Trade receivables	8,149	37,050	(19,378)
Income taxes	13,304	(29,867)	9,949
Inventories	(44,145)	(43,066)	(91,306)
Other current assets	18,909	(25,838)	(28,729)
Accounts payable and accrued liabilities	(20,928)	31,837	23,136
Interest payable	4,246	(387)	8,077
Cash provided by operating activities	696,007	667,185	487,507
Investing activities			
Additions to property, plant and mine development (note 3)	(445,550)	(482,831)	(511,641)
Acquisition of Grayd Resource Corporation (note 10)	(9,322)	(163,047)	–
(Increase) decrease in short-term investments	(1,920)	5	(3,262)
Net proceeds from available-for-sale securities (note 2(b))	73,358	9,435	36,586
Purchase of available-for-sale securities (note 2(b))	(2,713)	(91,115)	(42,479)
Decrease (increase) in restricted cash (note 14)	9,991	(32,931)	(2,510)
Cash used in investing activities	(376,156)	(760,484)	(523,306)

AGNICO-EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(thousands of United States dollars, US GAAP basis)

	Years Ended December 31,		
	2012	**2011**	**2010**
Financing activities			
Dividends paid	$ (118,121)	$ (98,354)	$ (26,830)
Repayment of capital lease obligations (note 13(a))	(12,063)	(13,092)	(16,019)
Sale-leaseback financing (note 13(a))	–	–	14,017
Proceeds from long-term debt (note 5)	315,000	475,000	711,000
Repayment of long-term debt (note 5)	(605,000)	(205,000)	(1,376,000)
Notes issuance (note 5)	200,000	–	600,000
Long-term debt financing costs (note 5)	(3,133)	(2,545)	(12,772)
Repurchase of common shares for restricted share unit plan (note 8(c))	(12,031)	(3,723)	(4,037)
Common shares issued	32,742	26,536	84,659
Cash (used in) provided by financing activities	(202,606)	178,822	(25,982)
Effect of exchange rate changes on cash and cash equivalents	1,376	(1,636)	(2,939)
Net increase (decrease) in cash and cash equivalents during the year	118,621	83,887	(64,720)
Cash and cash equivalents, beginning of year	179,447	95,560	160,280
Cash and cash equivalents, end of year	$ 298,068	$ 179,447	$ 95,560
Supplemental cash flow information			
Interest paid	$ 52,213	$ 52,833	$ 41,429
Income and mining taxes paid	$ 56,962	$ 110,889	$ 25,199

See accompanying notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(thousands of United States dollars, except per share amounts, unless otherwise indicated)
December 31, 2012

1. TRADE RECEIVABLES AND REVENUES FROM MINING OPERATIONS

Agnico-Eagle is a gold mining company with mining operations in Canada, Mexico and Finland. The Company earns a significant proportion of its revenues from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of byproduct metals. The revenue from byproduct metals is mainly generated by production at the LaRonde mine in Canada (silver, zinc, copper and lead) and the Pinos Altos mine in Mexico (silver).

Revenues are generated from operations in Canada, Mexico and Finland. The cash flow and profitability of the Company's operations are significantly affected by the market price of gold and, to a lesser extent, silver, zinc, copper and lead. The prices of these metals can fluctuate significantly and are affected by numerous factors beyond the Company's control.

As gold can be sold through numerous gold market traders worldwide, the Company is not economically dependent on a limited number of customers for the sale of its product.

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

	Years Ended December 31,		
	2012	**2011**	**2010**
Revenues from mining operations:			
Gold	$1,712,665	$1,563,760	$1,216,249
Silver	140,221	171,725	104,544
Zinc	45,797	70,522	77,544
Copper	19,019	14,451	22,219
Lead	12	1,341	1,965
	$1,917,714	$1,821,799	$1,422,521

In 2012, precious metals (gold and silver) accounted for 97% of Agnico-Eagle's revenues from mining operations (2011 – 95%; 2010 – 93%). The remaining revenues from mining operations consisted of net byproduct metals revenues. In 2012, these net byproduct metals revenues as a percentage of total revenues from mining operations were 2% from zinc (2011 – 4%; 2010 – 5%) and 1% from copper (2011 – 1%; 2010 – 2%).

2. OTHER ASSETS

(a) Other current assets

	As at December 31,	
	2012	2011
Federal, provincial and other sales taxes receivable	$36,400	$ 51,603
Prepaid expenses	36,119	25,540
Meadowbank insurance receivable	6,553	8,765
Prepaid royalty [(i)]	–	7,684
Employee loans receivable	1,800	5,567
Retirement compensation arrangement plan refundable tax receivable	4,044	–
Other	8,061	11,210
	$92,977	$ 110,369

Note:

(i) The prepaid royalty relates to the Pinos Altos mine in Mexico.

(b) Available-for-sale securities

In 2012, the Company received proceeds of $73.4 million (2011 – $9.4 million; 2010 – $36.6 million) and recognized a gain before income taxes of $9.7 million (2011 – $4.9 million; 2010 – $19.5 million) on the sale of certain available-for-sale securities.

Available-for-sale securities consist of equity securities whose cost basis is determined using the average cost method. Available-for-sale securities are carried at fair value and comprise the following:

	As at December 31,	
	2012	2011
Available-for-sale securities in an unrealized gain position:		
Cost (net of impairments)	$ 4,352	$127,344
Unrealized gains in accumulated other comprehensive loss	1,902	16,408
Estimated fair value	6,254	143,752
Available-for-sale securities in an unrealized loss position:		
Cost (net of impairments)	48,047	1,717
Unrealized losses in accumulated other comprehensive loss	(9,582)	(58)
Estimated fair value	38,465	1,659
Total estimated fair value of available-for-sale securities	$44,719	$145,411

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

At December 31, 2012, the fair value of available-for-sale securities in an unrealized loss position was $38.5 million (2011 – $1.7 million) with total unrealized losses in accumulated other comprehensive loss of $9.6 million (2011 – $0.1 million). Based on an evaluation of the severity and duration of the impairment of these available-for-sale securities (less than three months) and on the Company's intent to hold them for a period of time sufficient for a recovery of fair value, the Company does not consider these available-for-sale securities to be other-than-temporarily impaired as at December 31, 2012.

(c) Other assets

	As at December 31,	
	2012	**2011**
Deferred financing costs, less accumulated amortization of $8,888 (2011 – $5,809)	$15,836	$15,777
Long-term ore in stockpile [(i)]	32,711	64,392
Other	7,291	7,879
	$55,838	$88,048

Note:

(i) Due to the ore body structures at the Pinos Altos, Kittila and Meadowbank mines, a significant amount of drilling and blasting was undertaken early in their mine lives, resulting in long-term ore stockpiles. At December 31, 2012, long-term ore stockpiles were valued at $14.8 million (2011 – $7.1 million) at the Pinos Altos mine (including the Creston Mascota deposit at Pinos Altos), $7.7 million (2011 – $8.0 million) at the Kittila mine and $10.2 million (2011 – $49.3 million) at the Meadowbank mine.

3. PROPERTY, PLANT AND MINE DEVELOPMENT

	As at December 31, 2012			As at December 31, 2011		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Mining properties	$1,356,227	$ 86,839	$1,269,388	$1,228,523	$111,567	$1,116,956
Plant and equipment	2,538,328	617,826	1,920,502	2,467,300	437,706	2,029,594
Mine development costs	918,482	237,967	680,515	869,746	190,399	679,347
Construction in progress:						
Meliadine project	133,840	–	133,840	69,458	–	69,458
La India project	32,553	–	32,553	–	–	–
Goldex mine M and E Zones	30,658	–	30,658	–	–	–
	$5,010,088	$942,632	$4,067,456	$4,635,027	$739,672	$3,895,355

Geographic Information:

	As at December 31,	
	2012	2011
Canada	$2,543,171	$2,433,527
Latin America	809,556	776,892
Europe	704,031	674,258
United States	10,698	10,678
Total	$4,067,456	$3,895,355

In 2012, Agnico-Eagle capitalized $1.3 million of costs (2011 – $1.4 million) and recognized $1.2 million of amortization expense (2011 – $0.9 million) related to computer software. The unamortized capitalized cost for computer software at December 31, 2012 was $5.7 million (2011 – $5.6 million).

The unamortized capitalized cost for leasehold improvements at December 31, 2012 was $3.4 million (2011 – $3.2 million), which is being amortized on a straight-line basis over the life term of the lease plus one renewal period.

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

4. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

Notes:

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

(ii) 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).

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

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

5. LONG-TERM DEBT

Credit Facility

On June 22, 2010, the Company amended and restated its Credit Facility, increasing the amount available from $900.0 million to $1,200.0 million.

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

At December 31, 2012, the Credit Facility was drawn down by $30.0 million (2011 – $320.0 million). Amounts drawn down, together with related outstanding letters of credit, resulted in Credit Facility availability of $1,168.9 million at December 31, 2012.

2012 Notes

On July 24, 2012, the Company closed a private placement consisting of $200.0 million of guaranteed senior unsecured notes due in 2022 and 2024 (the "2012 Notes") with a weighted average maturity of 11.0 years and weighted average yield of 4.95%.

The following are the individual series' of the 2012 Notes:

	Principal	Interest Rate	Maturity Date
Series A	$ 100,000	4.87%	7/23/2022
Series B	100,000	5.02%	7/23/2024
	$ 200,000		

2010 Notes

On April 7, 2010, the Company closed a private placement consisting of $600.0 million of guaranteed senior unsecured notes due in 2017, 2020 and 2022 (the "2010 Notes") with a weighted average maturity of 9.84 years and weighted average yield of 6.59%.

The following are the individual series' of the 2010 Notes:

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

Covenants

Payment and performance of Agnico-Eagle's obligations under the Credit Facility, 2012 Notes and 2010 Notes is guaranteed by each of its significant subsidiaries and certain of its other subsidiaries (the "Guarantors").

The Credit Facility contains covenants that limit, among other things, the ability of the Company to incur additional indebtedness, make distributions in certain circumstances, sell material assets and carry on a business other than one related to the mining business.

The 2012 Notes and 2010 Notes contain covenants that restrict, among other things, the ability of the Company to amalgamate or otherwise transfer its assets, sell material assets and carry on a business other than one related to mining and the ability of the Guarantors to incur indebtedness.

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

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

Interest on long-term debt

For the year ended December 31, 2012, total interest expense was $57.9 million (2011 – $55.0 million; 2010 – $49.5 million) and total cash interest payments were $52.2 million (2011 – $52.8 million; 2010 – $41.4 million). In 2012, cash interest on the Credit Facility was $3.6 million (2011 – $1.7 million; 2010 – $12.3 million), cash standby fees on the Credit Facility were $4.2 million (2011 – $8.6 million; 2010 – $6.7 million), and cash interest on the 2010 Notes and 2012 Notes was $39.5 million (2011 – $39.5 million; 2010 – $19.8 million). In 2012, $1.5 million (2011 – $1.0 million; 2010 – $4.6 million) of the total interest expense was capitalized to construction in progress.

The Company's weighted average interest rate on all of its long-term debt as at December 31, 2012 was 6.02% (2011 – 5.02%; 2010 – 5.43%).

6. RECLAMATION PROVISION AND OTHER LIABILITIES

Reclamation provision and other liabilities consist of the following:

	As at December 31,	
	2012	**2011**
Reclamation provision (note 6(a))	$101,753	$105,443
Long-term portion of capital lease obligations (note 13(a))	12,108	26,184
Pension benefits (note 6(b))	13,734	13,991
Other	140	370
Total	$127,735	$145,988

(a) Reclamation provision

Agnico-Eagle's reclamation provision includes both asset retirement obligations and environmental remediation liabilities. Reclamation provision estimates are based on current legislation, third party estimates, management's estimates and feasibility study calculations.

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

	2012	2011
Asset retirement obligations, beginning of year	$86,386	$91,641
Current year additions and changes in estimate, net	1,495	(8,398)
Current year accretion	5,068	4,953
Liabilities settled	(254)	–
Foreign exchange revaluation	1,655	(1,810)
Reclassification from long-term to current	(4,630)	–
Asset retirement obligations – long-term, end of year	$89,720	$86,386

Due to the suspension of mining operations at the Goldex mine on October 19, 2011 (see note 17), Agnico-Eagle recognized an environmental remediation liability. The following table reconciles the beginning and ending carrying amounts of the Goldex mine's environmental remediation liability:

	2012	2011
Environmental remediation liability – long-term, beginning of year	$ 19,057	$ –
Environmental remediation liability – current, beginning of year	26,069	–
Current year change in estimate	(36)	51,736
Liabilities settled	(21,450)	(7,616)
Foreign exchange revaluation	579	1,006
Reclassification from long-term to current	(12,186)	(26,069)
Environmental remediation liability – long-term, end of year	$ 12,033	$ 19,057

(b) Pension benefits

Agnico-Eagle provides the Executives Plan for certain senior officers. The funded status of the Executives Plan is based on actuarial valuations performed as of July 1, 2012, projected to December 30, 2012 and covering the period through June 30, 2013.

The components of Agnico-Eagle's net pension benefits expense are as follows:

	Years Ended December 31,		
	2012	**2011**	**2010**
Service cost – benefits earned during the year	$ 650	$ 996	$ 981
Interest cost on projected benefit obligation	489	663	613
Amortization of net transition asset	169	171	164
Prior service cost	26	26	25
Loss due to settlement	2,921	–	–
Recognized net actuarial loss	340	245	–
Net pension benefits expense	$ 4,595	$ 2,101	$ 1,783

Assets for the Executives Plan consist of deposits on hand with regulatory authorities which are refundable when benefit payments are made or on the ultimate wind-up of the plan. The accumulated benefit obligation for the Executives Plan at December 31, 2012 was $9.7 million (2011 – $13.2 million).

The funded status of the Executives Plan for 2012 and 2011 is as follows:

	2012	2011
Reconciliation of the market value of plan assets:		
Fair value of plan assets, beginning of year	$ 2,952	$ 2,443
Agnico-Eagle's contribution	839	1,156
Benefit payments	(520)	(578)
Settlements	(961)	–
Effect of exchange rate changes	63	(69)
Fair value of plan assets, end of year	2,373	2,952
Reconciliation of projected benefit obligation:		
Projected benefit obligation, beginning of year	14,370	12,041
Service cost	650	996
Interest cost	489	663
Net actuarial loss	675	1,704
Benefit payments	(520)	(696)
Settlements	(5,148)	–
Effect of exchange rate changes	302	(338)
Projected benefit obligation, end of year	10,818	14,370
Deficiency of plan assets compared with projected benefit obligation	$ (8,445)	$ (11,418)

Comprised of the following net amounts recognized in the consolidated balance sheets:

	As at December 31,	
	2012	**2011**
Accrued employee benefit liability	$ 5,008	$ 7,292
Accumulated other comprehensive loss:		
Transition obligation	341	500
Prior service cost	52	76
Net actuarial loss	3,044	3,550
Net liability	$ 8,445	$ 11,418
Assumptions:		
Weighted average discount rate – net periodic pension cost	4.45%	5.20%
Weighted average discount rate – projected benefit obligation	4.00%	4.45%
Weighted average rate of compensation increase	3.00%	3.00%
Estimated average remaining service life for the plan (in years) [(i)]	6.0	3.0

Note:

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

Executives Plan components expected to be recognized in accumulated other comprehensive loss in 2013:

Transition obligation	$170
Prior service cost	26
Net actuarial loss	327
	$523

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

Years ended December 31,:		Estimated Executives Plan Benefit Payments
2013	$	117
2014	$	116
2015	$	115
2016	$	114
2017	$	113
2018 – 2022	$	3,591

In addition to the Executives Plan, the Company maintains the Basic Plan and the Supplemental Plan. Under the Basic Plan, Agnico-Eagle contributes 5% of certain employees' base employment compensation to a defined contribution plan. In 2012, $11.9 million (2011 – $10.7 million; 2010 – $8.8 million) was contributed to the Basic Plan. Effective January 1, 2008, the Company adopted the Supplemental Plan for designated executives at the level of Vice-President or above. Under the Supplemental Plan, an additional 10% of the designated executive's earnings for the year (including salary and short-term bonus) is contributed by the Company. In 2012, $0.8 million (2011 – $0.9 million; 2010 – $1.1 million) was contributed to the Supplemental Plan. The Supplemental Plan is accounted for as a cash balance plan.

7. SHAREHOLDERS' EQUITY

(a) Common shares

The Company's authorized share capital includes an unlimited number of common shares with issued common shares of 172,296,610 (2011 – 170,859,604), less 193,740 common shares held by a trust in connection with the Company's restricted share unit ("RSU") plan (2011 – less 45,868 common shares). The trust is treated as a variable interest entity and, as a result, its holdings of shares are offset against the Company's issued shares in its consolidated financial statements (see note 8(c) for details).

In 2012, the Company declared dividends on its common shares of $1.02 per share (2011 – nil per share; 2010 – $0.64 per share).

(b) Private placements and warrants

On December 3, 2008, the Company closed a private placement of 9.2 million units, with each unit consisting of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $47.25 per share at any time during the five-year term of the warrant. As consideration for the lead purchaser's commitment, the Company issued to the lead purchaser an additional 4 million warrants. The net proceeds of the private placement were approximately $281.0 million, after deducting share issue costs of $8.8 million. If all outstanding warrants were exercised, the Company would issue an additional 8.6 million common shares. No warrants had been exercised as of December 31, 2012.

On July 26, 2010, the Company issued 15,000 common shares with a market value of $0.8 million in connection with the purchase of a mining property.

(c) Public issuance of common shares

On July 6, 2010, the Company issued 10,210,848 common shares with a market value of $579.0 million in connection with the acquisition of Comaplex Minerals Corp. ("Comaplex") (see note 10 for details).

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

(d) Accumulated other comprehensive loss

The following table details the components of accumulated other comprehensive loss, net of related tax effects:

	As at December 31,	
	2012	**2011**
Cumulative translation adjustment	$ (16,206)	$ (16,206)
Unrealized net (loss) gain on available-for-sale securities	(7,680)	16,350
Unrealized loss on derivative financial instruments	(260)	(4,404)
Unrealized loss on pension benefits liability	(4,071)	(5,219)
Tax effect of unrealized loss on derivative financial instruments	397	1,491
Tax effect of unrealized loss on pension benefits liability	509	882
Accumulated other comprehensive loss	$ (27,311)	$ (7,106)

In 2012, a $9.7 million gain on sale of available-for-sale securities (2011 – $4.9 million gain; 2010 – $19.5 million gain) was reclassified from accumulated other comprehensive loss to the consolidated statements of income (loss) and comprehensive income (loss).

(e) Net income (loss) per share

The following table provides the weighted average number of common shares used in the calculation of basic and diluted net income (loss) per share:

	Years Ended December 31,		
	2012	**2011**	**2010**
Weighted average number of common shares outstanding – basic	171,250,179	169,352,896	162,342,686
Add: Dilutive impact of employee stock options	–	–	1,192,530
Dilutive impact of warrants	–	–	2,263,902
Dilutive impact of shares related to RSU plan	235,436	–	43,141
Weighted average number of common shares outstanding – diluted	171,485,615	169,352,896	165,842,259

The calculation of diluted net income (loss) per share has been calculated using the treasury stock method. In applying the treasury stock method, employee stock options and warrants with an exercise price greater than the average quoted market price of the common shares, for the period outstanding, are not included in the calculation of diluted net income (loss) per share, as the impact is anti-dilutive. In 2010, a total of 58,750 employee stock options were excluded from the calculation of diluted net income (loss) per share as their impact would have been anti-dilutive. In 2011, the impact of any additional shares issued under the employee stock option plan, as a result of the conversion of warrants, or related to the RSU plan would have been anti-dilutive as a result of the net loss recorded for the year. Consequently, diluted net loss per share was calculated in the same manner as basic net loss per share in 2011. In 2012, 7,742,151 employee stock options and all warrants were excluded from the calculation of diluted net income (loss) per share as their impact would have been anti-dilutive.

8. STOCK-BASED COMPENSATION

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

The Company's ESOP provides for the granting of stock options to directors, officers, employees and service providers to purchase common shares. Under the ESOP, stock options are granted at the fair market value of the underlying shares on the day prior to the date of grant. The number of common shares that may be reserved for issuance to any one person pursuant to stock options (under the ESOP or otherwise), warrants, share purchase plans or other arrangements may not exceed 5% of the Company's common shares issued and outstanding at the date of grant.

On April 24, 2001, the Compensation Committee of the Board of Directors adopted a policy pursuant to which stock options granted after that date have a maximum term of five years. In 2010, the shareholders approved a resolution to increase the number of common shares reserved for issuance under the ESOP by 1,300,000 to 20,300,000. In 2011 and 2012 the shareholders approved a further 3,000,000 and 2,500,000 common shares for issuance under the ESOP, respectively.

Of the 3,257,000 stock options granted under the ESOP in 2012, 814,250 stock options vested immediately and expire in 2017. The remaining stock options expire in 2017 and vest in equal installments, on each anniversary date of the grant, over a three-year period. Of the 2,630,785 stock options granted under the ESOP in 2011, 657,696 stock options vested immediately and expire in 2016. The remaining stock options expire in 2016 and vest in equal installments, on each anniversary date of the grant, over a three-year period. Of the 2,926,080 stock options granted under the ESOP in 2010, 731,520 stock options vested immediately and expire in 2015. The remaining stock options expire in 2015 and vest in equal installments, on each anniversary date of the grant, over a three-year period. Upon the exercise of stock options under the ESOP, the Company issues new common shares to settle the obligation.

The following summary details activity with respect to Agnico-Eagle's outstanding stock options:

	2012		2011		2010	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	8,959,051	C$62.88	6,762,704	C$56.94	5,707,940	C$53.85
Granted	3,257,000	36.99	2,630,785	76.12	2,926,080	57.55
Exercised	(416,275)	43.51	(308,688)	43.62	(1,627,766)	47.02
Forfeited	(731,000)	59.72	(125,750)	67.47	(243,550)	58.03
Expired	(481,650)	47.49	–	–	–	–
Outstanding, end of year	10,587,126	C$56.60	8,959,051	C$62.88	6,762,704	C$56.94
Options exercisable at end of year	6,510,464		5,178,172		2,972,857	

The following table details 2012 activity with respect to Agnico-Eagle's nonvested stock options:

	2012		
	Number of Stock Options		Weighted Average Grant Date Fair Value
Nonvested, beginning of year	3,780,879	C$	17.79
Granted	3,257,000		8.29
Vested	(2,625,467)		15.63
Forfeited (nonvested)	(335,750)		12.50
Nonvested, end of year	4,076,662	C$	13.33

Cash received for stock options exercised in 2012 was $18.2 million (2011 – $13.6 million; 2010 – $74.7 million).

The total intrinsic value of stock options exercised in 2012 was C$3.6 million (2011 – C$8.0 million; 2010 – C$46.5 million).

The weighted average grant date fair value of stock options granted in 2012 was C$8.29 (2011 – C$17.05; 2010 – C$16.31). The total fair value of stock options vested during 2012 was $41.0 million (2011 – $46.7 million; 2010 – $36.7 million).

The following table summarizes information about Agnico-Eagle's stock options outstanding and exercisable at December 31, 2012:

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
C$33.26 – C$59.71	6,378,941	2.50 years	C$47.45	3,485,921	C$52.68
C$60.72 – C$83.08	4,208,185	2.14 years	70.46	3,024,543	68.18
C$33.26 – C$83.08	10,587,126	2.36 years	C$56.60	6,510,464	C$59.88

The weighted average remaining contractual term of stock options exercisable at December 31, 2012 was 1.7 years.

The Company has reserved for issuance 10,587,126 common shares in the event that these stock options are exercised.

The number of common shares available for the granting of stock options under the ESOP as at December 31, 2012, December 31, 2011 and December 31, 2010 was 3,717,785, 3,262,135 and 2,771,420, respectively.

Subsequent to the year ended December 31, 2012, on January 2, 2013, 2,803,000 stock options were granted under the ESOP, of which 700,750 stock options vested immediately and expire in the year 2018. The remaining stock options expire in 2018 and vest in equal installments on each anniversary date of the grant, over a three-year period.

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

	2012	2011	2010
Risk-free interest rate	1.26%	1.95%	1.86%
Expected life of stock options (in years)	2.8	2.5	2.5
Expected volatility of Agnico-Eagle's share price	37.5%	34.70%	43.80%
Expected dividend yield	2.14%	0.89%	0.42%

The Company uses historical volatility in estimating the expected volatility of Agnico-Eagle's share price. The expected term of stock options granted is derived from historical data on employee exercise and post-vesting employment termination experience.

The aggregate intrinsic value of stock options outstanding at December 31, 2012 was C$(47.3) million. The aggregate intrinsic value of stock options exercisable at December 31, 2012 was C$(50.5) million.

The total compensation expense for the ESOP recognized in the general and administrative line item of the consolidated statements of income (loss) and comprehensive income (loss) for 2012 was $33.8 million (2011 – $42.2 million; 2010 – $37.8 million). The total compensation cost related to nonvested stock options not yet

recognized is $24.5 million as at December 31, 2012 and the weighted average period over which it is expected to be recognized is 1.6 years. Of the total compensation cost for the ESOP, $1.3 million was capitalized as part of the property, plant and mine development line item of the consolidated balance sheets in 2012 (2011 – $1.4 million; 2010 – $1.3 million).

(b) Incentive Share Purchase Plan

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

Under the Purchase Plan, Participants may contribute up to 10% of their basic annual salaries, and the Company contributes an amount equal to 50% of each Participant's contribution. All common shares subscribed for under the Purchase Plan are newly issued by the Company. The total compensation cost recognized in 2012 related to the Purchase Plan was $7.2 million (2011 – $6.4 million; 2010 – $5.0 million).

In 2012, 507,235 common shares were subscribed for under the Purchase Plan (2011 – 360,833; 2010 – 229,583) for a value of $21.7 million (2011 – $19.2 million; 2010 – $15.0 million). In May 2008, the Company's shareholders approved an increase in the maximum number of common shares reserved for issuance under the Purchase Plan to 5,000,000 from 2,500,000. As at December 31, 2012, Agnico-Eagle has reserved for issuance 1,642,853 common shares (2011 – 2,150,088; 2010 – 2,510,921) under the Purchase Plan.

(c) Restricted Share Unit Plan

In 2009, the Company implemented the RSU plan for certain employees. A deferred compensation balance was recorded for the total grant date value on the date of grant. The deferred compensation balance was recorded as a reduction of shareholders' equity and was amortized as compensation expense over the applicable vesting period of two years.

Effective January 1, 2012, the RSU plan was amended to include directors and senior executives of the Company. A deferred compensation balance was recorded for the total grant date value on the date of grant. The deferred compensation balance was recorded as a reduction of shareholders' equity and is to be amortized as compensation expense over the applicable vesting period of three years.

In 2012, the Company funded the RSU plan by transferring $12.0 million (2011 – $3.7 million; 2010 – $4.0 million) to an employee benefit trust (the "Trust") that then purchased shares of the Company in the open market. The Trust is funded once per year during the first quarter of each year. Compensation cost for the RSU plan incorporates an expected forfeiture rate. The forfeiture rate is estimated based on the Company's historical employee turnover rates and expectations of future forfeiture rates that incorporate various factors that include historical employee stock option plan forfeiture rates. For the years 2009 through 2012, the impact of forfeitures was not material. For accounting purposes, the Trust is treated as a variable interest entity and consolidated in the accounts of the Company. On consolidation, the dividends paid on the shares held by the Trust are eliminated. The common shares purchased and held by the Trust are treated as not outstanding for the basic earnings per share ("EPS") calculations. They are included in the basic EPS calculations once they have vested. All of the unvested common shares held by the Trust are included in the diluted EPS calculations.

Compensation cost related to the RSU plan was $6.6 million in 2012 (2011 – $3.3 million; 2010 – $3.0 million). Compensation cost related to the RSU plan is included as part of the production, general and administrative and exploration and corporate development line items of the consolidated statements of income (loss) and comprehensive income (loss), consistent with the classification of other elements of compensation expense for those employees who held RSUs. Of the total compensation cost for the RSU plan, nil was capitalized as part of the

property, plant and mine development line item of the consolidated balance sheets in 2012 (2011 – nil; 2010 – $0.1 million).

Subsequent to the year ended December 31, 2012, 422,553 RSUs were granted under the RSU plan. Of these, 131,846 RSUs vest in 2014, 277,944 RSUs vest in 2015 and 12,763 RSUs vest in 2016.

9. INCOME AND MINING TAXES

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

	Years Ended December 31,		
	2012	**2011**	**2010**
Current income and mining taxes:			
Canada	$ 8,750	$ 62,382	$ 34,217
Mexico	33,531	3,496	1,942
Finland	9,799	222	–
	52,080	66,100	36,159
Deferred income and mining taxes:			
Canada	26,041	(341,038)	47,083
Mexico	25,284	54,996	18,759
Finland	20,820	10,269	1,086
	72,145	(275,773)	66,928
Income and mining taxes	$ 124,225	$ (209,673)	$ 103,087

Cash income and mining taxes paid in 2012 were $57.0 million (2011 – $110.9 million; 2010 – $25.2 million).

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

	2012	2011	2010
Combined federal and composite provincial tax rates	26.3%	27.8%	29.6%
Increase (decrease) in tax rates resulting from:			
Provincial mining duties	3.6	5.9	6.8
Tax law changes	–	(2.7)	(5.1)
Impact of foreign tax rates	(1.5)	(0.2)	(0.5)
Permanent differences	1.0	(1.6)	(4.2)
Valuation allowances	1.2	(0.3)	(0.2)
Impact of changes in income tax rates	(2.1)	(2.0)	(2.7)
Actual rate as a percentage of pre-tax income	28.5%	26.9%	23.7%

The following table details the components of Agnico-Eagle's deferred income and mining tax liabilities:

	Liabilities (Assets) as at December 31,	
	2012	2011
Mining properties	$761,508	$704,379
Net operating and capital loss carryforwards	(102,005)	(104,332)
Mining duties	(36,158)	(88,670)
Reclamation provisions	(42,688)	(51,926)
Valuation allowance	30,570	39,121
Deferred income and mining tax liabilities	$611,227	$498,572

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

The Company operates in different jurisdictions and, accordingly, it is subject to income and other taxes under the various tax regimes in the countries in which it operates. The tax rules and regulations in many countries are highly complex and subject to interpretation. The Company may be subject in the future to a review of its historic income and other tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the

interpretation or application of certain tax rules and regulations to the Company's business conducted within the country involved.

A reconciliation of the beginning and ending amounts of the unrecognized tax benefits is as follows:

	2012	2011	2010
Unrecognized tax benefits, beginning of year	$ 1,200	$1,630	$ 5,608
Additions (reductions)	9,667	(430)	(3,978)
Unrecognized tax benefit, end of year	$ 10,867	$1,200	$ 1,630

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

The Company is subject to taxes in Canada, Mexico and Finland, each with varying statutes of limitations. The 2007 through 2012 taxation years generally remain subject to examination.

10. ACQUISITIONS

Grayd Resource Corporation

In September 2011, Agnico-Eagle entered into an acquisition agreement with Grayd, a Canadian-based natural resource company listed on the TSX Venture Exchange, pursuant to which the Company agreed to make an offer to acquire all of the issued and outstanding common shares of Grayd. On October 13, 2011, the Company made the offer by way of a take-over bid circular, as amended and supplemented on October 21, 2011.

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

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

The following table details the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value.

Total purchase price:	
Cash paid for acquisition	$165,954
Agnico-Eagle common shares issued for acquisition	56,146
Total purchase price to allocate	$222,100
Fair value of assets acquired and liabilities assumed:	
Mining properties	$282,000
Goodwill	29,215
Cash and cash equivalents	2,907
Trade receivables	469
Other current assets	1,700
Equipment	56
Accounts payable and accrued liabilities	(9,767)
Deferred tax liability	(72,229)
Non-controlling interest	(12,251)
Net assets acquired	$222,100

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

Pro forma results of operations for Agnico-Eagle assuming the acquisition of Grayd described above had occurred as of January 1, 2010 are detailed below. On a *pro forma* basis, there would have been no effect on Agnico-Eagle's consolidated revenues:

	Years Ended December 31,	
	2011	**2010**
	Unaudited	
Pro forma net income (loss) attributed to common shareholders	$ (582,762)	$ 324,708
Pro forma net income (loss) per share – basic	$ (3.42)	$ 1.98

On January 23, 2012, the Company acquired the remaining outstanding shares of Grayd it did not already own, pursuant to a previously announced compulsory acquisition carried out under the provisions of the *Business*

Corporations Act (British Columbia). The January 23, 2011 purchase price of $11.8 million was comprised of $9.3 million in cash and 68,941 newly issued Agnico-Eagle common shares.

Summit Gold Project

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

Comaplex Minerals Corp.

On April 1, 2010, Agnico-Eagle and Comaplex jointly announced that they reached an agreement in principle whereby Agnico-Eagle would acquire all of the shares of Comaplex (the "Comaplex Shares") that it did not already own. The transaction was completed under a plan of arrangement under the *Business Corporations Act* (Alberta). Under the terms of the transaction, each shareholder of Comaplex, other than Agnico-Eagle, received 0.1576 of an Agnico-Eagle common share per Comaplex share. Additionally, at closing, each Comaplex shareholder, other than Agnico-Eagle and Perfora Investments S.a.r.l. ("Perfora"), received one common share of a newly formed, wholly-owned, subsidiary of Comaplex, Geomark Exploration Ltd. ("Geomark"), in respect of each Comaplex share and Comaplex transferred to Geomark all of the assets and related liabilities of Comaplex other than those relating to the Meliadine gold exploration properties in Nunavut, Canada. The Geomark assets included all of Comaplex's net working capital, the non-Meliadine mineral properties, all oil and gas properties and investments. Under the plan of arrangement, Comaplex changed its name to Meliadine Holdings Inc.

Prior to the announcement of the transaction, Perfora and Agnico-Eagle had entered into a support agreement pursuant to which Perfora agreed to, among other things, support the transaction and vote all of the shares it held in Comaplex in favour of the plan of arrangement. Perfora held approximately 17.3% and Agnico-Eagle held approximately 12.3%, on a fully diluted basis, of the outstanding shares of Comaplex prior to the announcement of the acquisition.

On July 6, 2010, the transactions relating to the plan of arrangement closed and Agnico-Eagle issued a total of 10,210,848 common shares to the shareholders of Comaplex, other than Agnico-Eagle, for a total value of $579.0 million. The related transaction costs associated with the acquisition totalling $7.0 million were expensed through the interest and sundry expense (income) line item of the consolidated statements of income (loss) and comprehensive income (loss) during the third quarter of 2010. The Company has accounted for the purchase of Comaplex as a business combination.

The following table details the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value.

Total purchase price:		
Comaplex shares previously purchased	$	88,683
Agnico-Eagle common shares issued for acquisition		578,955
Total purchase price to allocate	$	667,638
Fair value of assets acquired and liabilities assumed:		
Property	$	642,610
Goodwill		200,064
Supplies		542
Equipment		2,381
Asset retirement obligation		(3,400)
Deferred tax liability		(174,559)
Net assets acquired	$	667,638

The Comaplex shares purchased prior to the April 1, 2010 announcement of the acquisition had a cost base of $24.1 million and a fair value at July 6, 2010 of $88.6 million. Upon the acquisition of Comaplex, the non-cash gain of $64.5 million on those shares within accumulated other comprehensive income was reversed into the consolidated statements of income (loss) and comprehensive income (loss) as a gain during the third quarter of 2010.

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

Pro forma results of operations for Agnico-Eagle assuming the acquisition of Comaplex described above had occurred as of January 1, 2009 are detailed below. On a *pro forma* basis, there would have been no effect on Agnico-Eagle's consolidated revenues:

	Years Ended December 31,	
	2010	**2009**
	Unaudited	
Pro forma net income attributed to common shareholders	$ 331,516	$ 85,371
Pro forma net income per share – basic	$ 2.04	$ 0.55

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31,	
	2012	2011
Trade payables	$ 89,289	$ 104,699
Wages payable	35,752	27,247
Accrued liabilities	27,372	47,462
Goldex mine government grant	–	1,452
Other liabilities	32,916	22,687
	$ 185,329	$ 203,547

In 2012 and 2011, the other liabilities balance mainly consisted of various employee payroll tax withholdings and other payroll taxes.

12. COMMITMENTS AND CONTINGENCIES

As part of its ongoing business and operations, the Company has been required to provide assurance in the form of letters of credit for environmental and site restoration costs, custom credits, government grants and other general corporate purposes. As at December 31, 2012, the total amount of these guarantees was $147.3 million.

Certain of the Company's properties are subject to royalty arrangements. The following are the most significant royalty arrangements:

The Company has a royalty agreement with the Finnish government relating to the Kittila mine. Starting 12 months after Kittila mine operations commenced, the Company is required to pay 2% on net smelter returns, defined as revenue less processing costs. The royalty is paid on a yearly basis the following year.

The Company is committed to pay a royalty on production from certain properties in the Abitibi area. The type of royalty agreements include, but are not limited to, net profits interest royalties and net smelter return royalties, with percentages ranging from 0.5% to 5%.

The Company is committed to pay a royalty on production from certain properties in the Pinos Altos mine area. The type of royalty agreements include, but are not limited to, net profits interest royalties and net smelter return royalties, with percentages ranging from 1.0% to 3.5%.

The Company regularly enters into various earn-in and shareholder agreements, often with commitments to pay net smelter return and other royalties.

The Company had the following purchase commitments as at December 31, 2012:

Years ended December 31,:		Purchase Commitments
2013	$	12,258
2014		12,428
2015		7,080
2016		5,071
2017		4,466
Thereafter		22,274
Total	$	63,577

13. LEASES

(a) Capital leases

In each of 2010 and 2009, the Company entered into five sale-leaseback agreements with third parties for various fixed and mobile equipment within Canada. These arrangements represent sale-leaseback transactions in accordance with ASC 840-40 – *Sale-Leaseback Transactions* . The sale-leaseback agreements have an average effective annual interest rate of 6.18% and the average length of the contracts is 4.5 years.

All of the sale-leaseback agreements have end of lease clauses that qualify as bargain purchase options that the Company expects to execute. As at December 31, 2012, the total gross amount of assets recorded under sale-leaseback capital leases amounted to $33.9 million (2011 – $33.6 million).

The Company has agreements with third party providers of mobile equipment that are used at the Meadowbank and Kittila mines. These arrangements represent capital leases in accordance with the guidance in ASC 840-30 – *Capital Leases* . The leases for mobile equipment at the Kittila and Meadowbank mines are for five years. The effective annual interest rate on the lease for mobile equipment at the Meadowbank mine is 5.64%. The effective annual interest rate on the lease for mobile equipment at the Kittila mine is 4.99%.

The following is a schedule of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as at December 31, 2012:

Years ended December 31,:		Minimum Capital Lease Payments
2013	$	14,052
2014		8,970
2015		3,646
2016		–
2017		–
Thereafter		–
Total minimum lease payments		26,668
Less amount representing interest		1,605
Present value of net minimum lease payments	$	25,063

The Company's capital lease obligations are comprised of the following:

	As at December 31,	
	2012	2011
Total future lease payments	$26,668	$40,630
Less: interest	1,605	3,378
	25,063	37,252
Less: current portion	12,955	11,068
Long-term portion of capital lease obligations	$12,108	$26,184

At December 31, 2012, the gross amount of assets recorded under capital leases, including sale-leaseback capital leases was $51.0 million (2011 – $56.9 million; 2010 – $56.9 million). The charge to income resulting from the amortization of assets recorded under capital leases is included in the amortization of property, plant and mine development line item of the consolidated statements of income (loss) and comprehensive income (loss).

(b) Operating leases

The Company has a number of operating lease agreements involving office space. Some of the leases for office facilities contain escalation clauses for increases in operating costs and property taxes. Future minimum lease

payments required to meet obligations that have initial or remaining non-cancellable lease terms in excess of one year as at December 31, 2012 are as follows:

Years ended December 31,:		Minimum Operating Lease Payments
2013	$	1,434
2014		1,013
2015		837
2016		822
2017		813
Thereafter		3,473
Total	$	8,392

The portion of operating leases relating to rental expense was $1.1 million in 2012 (2011 – $0.9 million; 2010 – $4.1 million).

14. RESTRICTED CASH

As part of the Company's insurance programs fronted by a third party provider and reinsured through the Company's internal insurance program, the third party provider requires that cash of $4.7 million be restricted as at December 31, 2012 (2011 – $3.4 million).

As part of the Company's tax planning, $32.0 million was contributed to a qualified environmental trust ("QET") in December 2011 to fulfill the requirement of financial security for costs related to the environmental remediation of the Goldex mine. During the year ended December 31, 2012, $12.0 million was withdrawn from the QET to fund the environmental remediation expenditures. As at December 31, 2012, $20.7 million remained in the QET.

15. FINANCIAL INSTRUMENTS

Agnico-Eagle has entered into financial instruments with several financial institutions in order to hedge underlying cash flow and fair value exposures arising from changes in commodity prices, interest rates, equity prices or foreign currency exchange rates.

Currency risk management

In 2012 and 2011, financial instruments that subjected Agnico-Eagle to market risk and concentration of credit risk consisted primarily of cash and cash equivalents and short-term investments. Agnico-Eagle places its cash and cash equivalents and short-term investments in high quality securities issued by government agencies, financial institutions and major corporations and limits the amount of credit exposure by diversifying its holdings.

Agnico-Eagle generates almost all of its revenues in US dollars. The Company's Canadian operations, which include the LaRonde, Goldex, Lapa and Meadowbank mines and the Meliadine project have Canadian dollar requirements for capital, operating and exploration expenditures.

The Company utilizes foreign exchange hedges to reduce the variability in expected future cash flows arising from changes in foreign currency exchange. The hedged items represent a portion of the Canadian dollar denominated cash outflows arising from Canadian dollar denominated expenditures in 2012.

The forward contracts with a cash flow hedging relationship that did qualify for hedge accounting hedged $60 million of 2011 expenditures at an average rate of US$1.00 = C$0.99 and $300 million of 2012 expenditures at an average rate of US$1.00 = C$1.01. The hedges that expired during the year resulted in a realized gain of $2.8 million (2011 – $(1.5) million). As at December 31, 2012, the Company recognized a mark-to-market gain of nil (2011 – $(4.4) million) in accumulated other comprehensive loss. Amounts deferred in accumulated other comprehensive loss are reclassified to the production costs line item on the consolidated statements of income (loss) and comprehensive income (loss), as applicable, when the hedged transaction has occurred.

Mark-to-market gains (losses) related to foreign exchange derivative financial instruments are recorded at fair value based on broker-dealer quotations that utilize period end forward pricing of the currency hedged.

In 2011, the Company entered into foreign exchange forward contracts with an ineffective cash flow hedging relationship that did not qualify for hedge accounting. The risk hedged in 2011 was the variability in expected future cash flows arising from changes in foreign currency exchange. The hedged items represented a portion of the unhedged forecasted Canadian dollar denominated cash outflows arising from Canadian dollar denominated expenditures in 2011. The forward contracts hedged $150 million of 2011 expenditures and nil of 2012 expenditures at an average rate of US$1.00 = C$0.99. The hedges that expired in 2011 resulted in a realized loss of $1.4 million that was recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss). As at December 31, 2011, all ineffective cash flow hedges had expired. There were no foreign exchange forward contracts with ineffective cash flow hedging relationships purchased or outstanding in 2012.

The Company's other foreign currency derivative strategies in 2012 consisted mainly of writing US dollar call options with short maturities to generate premiums that would, in essence, enhance the spot transaction rate received when exchanging US dollars to Canadian dollars. All of these derivative transactions expired prior to year end such that no derivatives were outstanding as at December 31, 2012. The Company's foreign currency derivative strategy generated $1.5 million in call option premiums for the year ended December 31, 2012 (2011 – $5.0 million) that were recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss).

Commodity price risk management

In the first quarter of 2011, to mitigate the risks associated with fluctuating zinc prices, the Company entered into a zero-cost collar to hedge the price on a portion of zinc associated with the LaRonde mine's 2011 production. The purchase of zinc put options was financed through selling zinc call options at a higher level such that the net premium payable to the counterparty by the Company was nil. There were no zinc zero-cost collars purchased or outstanding in 2012.

A total of 20,000 metric tonnes of zinc call options were written at a strike price of $2,500 per metric tonne with 2,000 metric tonnes expiring each month beginning February 28, 2011. A total of 20,000 metric tonnes of zinc put options were purchased at a strike price of $2,200 per metric tonne with 2,000 metric tonnes expiring each month beginning February 28, 2011. While setting a minimum price, the zero-cost collar strategy also limits participation to zinc prices above $2,500 per metric tonne. These contracts did not qualify for hedge accounting under ASC 815 – *Derivatives and Hedging* . Gains or losses, along with mark-to-market adjustments, were recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss). All options entered into during 2011 expired during the year resulting in a realized gain of $2.8 million.

The Company also uses intra-quarter zinc, copper and silver derivative financial instruments associated with the timing of sales of the related products during 2012 that were recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss). There were no zinc, copper or silver intra-quarter derivative financial instruments outstanding at December 31, 2012 or December 31, 2011.

In the second quarter of 2012, to mitigate the risks associated with fluctuating diesel fuel prices, the Company entered into financial contracts to hedge the price on a portion of diesel fuel costs associated with the Meadowbank mine's diesel fuel exposure (as it relates to operating costs). The financial contracts that expired in 2012 totalled 9.5 million gallons of heating oil, representing approximately 55% of Meadowbank's expected 2012 diesel fuel exposure. In addition, the financial contracts expiring in 2013 total 0.5 million gallons of heating oil, representing approximately 3% of Meadowbank's expected 2013 diesel fuel exposure. The contracts that expired in 2012 did not qualify for hedge accounting and the related realized loss of $1.5 million was recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss). The contracts expiring in 2013 qualify for hedge accounting and the related $0.1 million market-to-market gain as at December 31, 2012 was recognized in the accumulated other comprehensive loss ("AOCI") line item on the consolidated balance sheets. The Company was not a party to any similar heating oil derivative financial instruments in 2011. Amounts deferred in AOCI are reclassified to the production costs line item on the consolidated statements of income (loss) and comprehensive income (loss), as applicable, when the derivative financial instrument has settled. Mark-to-market gains (losses) related to heating oil derivative financial instruments are based on broker-dealer quotations that utilize period end forward pricing to calculate fair value.

The following table details the changes in the AOCI balances recorded in the consolidated financial statements pertaining to the foreign exchange and commodity hedging activities. The fair values, based on calculated mark-to-market valuations, of recorded derivative related assets and liabilities and their corresponding entries to AOCI reflect the netting of the fair values of individual derivative financial instruments.

	2012	2011
AOCI, beginning of year	$ (4,404)	$ –
(Gain) loss reclassified from AOCI into production cost	(2,758)	1,459
Loss recognized in OCI – heating oil derivative financial instruments	(117)	–
Gain (loss) recognized in OCI – foreign exchange and other derivative financial instruments	7,019	(5,863)
AOCI, end of year	$ (260)	$ (4,404)

As at December 31, 2012 and 2011, there were no metal derivative positions. The Company may from time to time utilize short-term (including intra-quarter) financial instruments as part of its strategy to minimize risks and optimize returns on its byproduct metal sales.

Other required derivative disclosures can be found in note 7(d), accumulated other comprehensive loss.

The following table provides a summary of the amounts recognized in the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss):

	Years Ended December 31,		
	2012	2011	2010
Premiums realized on written foreign exchange call options	$ 1,505	$ 4,995	$ 4,845
Realized gain on foreign exchange extendible flat forward	–	–	1,797
Realized loss on foreign exchange forwards	–	(1,407)	–
Realized gain on foreign exchange collar	–	–	711
Mark-to-market gain on foreign exchange extendible flat forward [(i)]	–	–	142
Realized gain on zinc derivative financial instruments	430	3,419	3,733
Realized gain (loss) on copper derivative financial instruments	63	79	(558)
Realized loss on silver derivative financial instruments	–	(3,403)	(3,058)
Mark-to-market loss on warrants [(i)]	(1,294)	–	–
Realized loss on heating oil derivative financial instruments	(1,523)	–	–
(Loss) gain on derivative financial instruments	$ (819)	$ 3,683	$ 7,612

Note:

(i) Mark-to-market gains and losses on financial instruments that did not qualify for hedge accounting are recognized through the loss (gain) on derivative financial instruments line item of the consolidated statements of income (loss) and comprehensive income (loss) and through the other line item of the consolidated statements of cash flow.

Agnico-Eagle's exposure to interest rate risk at December 31, 2012 relates to its cash and cash equivalents, short-term investments and restricted cash totalling $332.0 million (2011 – $221.5 million) and the Credit Facility. The Company's short-term investments and cash equivalents have a fixed weighted average interest rate of 0.47% (2011 – 0.61%).

The fair values of Agnico-Eagle's current financial assets and liabilities approximate their carrying values as at December 31, 2012.

16. GENERAL AND ADMINISTRATIVE

As a result of a kitchen fire at the Meadowbank mine in March 2011, the Company recognized a loss on disposal of the kitchen of $6.9 million, incurred related costs of $7.4 million and recognized an insurance receivable of $11.2 million. The difference of $3.1 million was recognized in the general and administrative line item of the consolidated statements of income (loss) and comprehensive income (loss) in the first quarter of 2011.

During the subsequent months of 2011, the Company received $2.4 million of insurance proceeds and had a remaining insurance receivable of $8.8 million recorded in the other current assets line item of the consolidated balance sheets as at December 31, 2011. During the year ended December 31, 2012, the Company received $2.2 million of insurance proceeds and had a remaining insurance receivable of $6.6 million as at December 31, 2012.

17. LOSS ON GOLDEX MINE

On October 19, 2011, the Company announced that it was suspending mining operations and gold production at the Goldex mine in Quebec, Canada, effective immediately. This decision followed the receipt of an opinion from a second rock mechanics consulting firm which recommended that underground mining operations be halted. It appeared that a weak volcanic rock unit in the hanging wall above the Goldex Extension Zone ("GEZ") of the Goldex mine deposit had failed. This rock failure was thought to extend between the top of the deposit and surface. As a result, this structure allowed an increase in ground water to flow into the mine.

As at September 30, 2011, Agnico-Eagle had written off its investment in the Goldex mine (net of expected residual value), written off the underground ore stockpile and recorded a provision for the anticipated costs of environmental remediation. Given the amount of uncertainty in estimating the fair value of the Goldex mine property, plant, and mine development, the Company determined that the fair value was equal to the residual value. All of the remaining 1.6 million ounces of proven and probable gold reserves at the Goldex mine, other than the ore stockpiled on surface, were reclassified as mineral resources effective September 30, 2011. The Goldex mine is part of the Canada segment as detailed in note 19.

The mill processed feed from the remaining surface stockpile at the Goldex mine in October 2011.

Impairment loss on Goldex mine property, plant, and mine development	$237,110
Loss on underground ore stockpile	16,641
Supplies inventory obsolescence provision	1,915
Increase in environmental remediation liability	47,227
Loss on Goldex mine (before income and mining taxes) for the year ended December 31, 2011	$302,893

The environmental remediation liability for the anticipated costs of remediation associated with the suspension of operations at the Goldex mine has required management to make estimates and judgments that affect the reported amount. In making judgments in accordance with US GAAP, the Company uses estimates based on historical experience and various assumptions that are considered reasonable in the circumstances. Actual results may differ from these estimates.

In July 2012, the Company's Board approved the development of the M and E Zones at the Goldex mine. The operations in the GEZ remain suspended indefinitely.

18. IMPAIRMENT LOSS ON MEADOWBANK MINE

For the year ended December 31, 2011, the Company performed a full review of the Meadowbank mine operations and updated the related life of mine plan. This review considered the exploration potential of the area, the mineral reserves and resources, the projected operating costs in light of the persistently high operating costs experienced since commencement of commercial operations, metallurgical performance and gold price. These served as inputs into pit optimizations to determine which reserves and resources could be economically mined and be considered as mineable mineral reserves. As a result of these factors, an updated mine plan with a shorter mine life was developed and cash flows calculated, resulting in an impairment charge to the Meadowbank mine carrying value of $907.7 million for the year ended December 31, 2011. The Meadowbank mine had a property, plant and mine development book value of approximately $1.7 billion prior to recording this impairment charge.

Net estimated future cash flows from the Meadowbank mine were calculated as at December 31, 2011, on an undiscounted basis, based on best estimates of future gold production, which were based on long-term gold prices from $1,250 to $1,553 per ounce (in real terms), foreign exchange rates from US$0.92:C$1.00 to US$0.97:C$1.00,

increased cost estimates based on revised operating levels, average gold recovery of 92.9% and expected continuation of operations to 2017, including the processing of stockpiled ore. Future expected operating costs, capital expenditures, and asset retirement obligations were based on the updated life of mine plan. The fair value was calculated by discounting the estimated future net cash flows using a 5% interest rate (in real terms), commensurate with the estimated level of risk. Management's estimate of future cash flows is subject to risk and uncertainties. Therefore, it is reasonably possible that changes could occur which may affect the recoverability of the Company's long-lived assets and may have a material effect on the Company's consolidated financial statements. The Meadowbank mine is a part of the Canada segment as detailed in note 19.

19. SEGMENTED INFORMATION

Agnico-Eagle operates in a single industry, namely exploration for and production of gold. The Company's primary operations are in Canada, Mexico and Finland. The Company identifies its reportable segments as those operations whose operating results are reviewed by the Chief Executive Officer and that represent more than 10% of the combined revenue, profit or loss or total assets of all operating segments. The following are the reportable segments of the Company and reflect how the Company manages its business and how it classifies its operations for planning and measuring performance:

Canada:	LaRonde mine, Lapa mine, Goldex mine, Meadowbank mine, Meliadine project and the Regional office
Latin America:	Pinos Altos mine, Creston Mascota deposit at Pinos Altos and the La India project
Europe:	Kittila mine
Exploration:	United States Exploration office, Europe Exploration office, Canada Exploration offices and the Latin America Exploration office

The accounting policies of the reportable segments are the same as those described in the accounting policies note. There are no transactions between the reportable segments affecting revenue. Production costs for the reportable segments are net of intercompany transactions. Of the $229.3 million of goodwill reflected on the consolidated balance sheets at December 31, 2012, $200.1 million relates to the Meliadine project which is a component of the Canada segment and $29.2 million relates to the La India project which is a component of the Latin America segment.

Corporate head office assets are included in the Canada segment and specific corporate income and expense items are noted separately below.

The Meadowbank mine achieved commercial production on March 1, 2010. The Creston Mascota deposit at Pinos Altos achieved commercial production on March 1, 2011. The LaRonde mine extension achieved commercial production on December 1, 2011.

Year ended December 31, 2012:	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Amortization of Property, Plant and Mine Development	Foreign Currency Translation (Loss) Gain	Segment Income (Loss)
Canada	$1,182,621	$(646,733)$	(37,627)	$(204,243)$	(6,294)$	287,724
Latin America	450,664	(152,942)	–	(37,527)	3,305	263,500
Europe	284,429	(98,037)	–	(30,091)	(18,726)	137,575
Exploration	–	–	(71,873)	–	5,395	(66,478)
	$1,917,714	$(897,712)$	(109,500)	$(271,861)$	(16,320)$	622,321
Segment income						$ 622,321
Corporate and other:						
Interest and sundry expense						(2,389)
Gain on sale of available-for-sale securities						9,733
Loss on derivative financial instruments						(819)
General and administrative						(119,085)
Impairment loss on available-for-sale securities						(12,732)
Provincial capital tax						(4,001)
Interest expense						(57,887)
Income before income and mining taxes						$ 435,141

Year ended December 31, 2011:	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Amortization of Property, Plant and Mine Development	Foreign Currency Translation (Loss) Gain	Loss on Goldex Mine	Impairment Loss on Meadowbank Mine	Segment (Loss) Income
Canada	$1,217,858	$(619,987)	$ –	$(198,219)	$ (2,825)	$(302,893)	$(907,681)	$(813,747)
Latin America	378,329	(145,614)	–	(36,988)	4,955	–	–	200,682
Europe	225,612	(110,477)	–	(26,574)	(1,063)	–	–	87,498
Exploration	–	–	(75,721)	–	15	–	–	(75,706)
	$1,821,799	$(876,078)	$ (75,721)	$(261,781)	$ 1,082	$(302,893)	$(907,681)	$(601,273)
Segment loss								$(601,273)
Corporate and other:								
Interest and sundry expense								(5,188)
Gain on sale of available-for-sale securities								4,907
Impairment loss on available-for-sale securities								(8,569)
Gain on derivative financial instruments								3,683
General and administrative								(107,926)
Provincial capital tax								(9,223)
Interest expense								(55,039)
Loss before income and mining taxes								$(778,628)

Year ended December 31, 2010:	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Amortization of Property, Plant and Mine Development	Foreign Currency Translation (Loss) Gain	Segment Income (Loss)
Canada	$1,086,744	$(499,621)	$ –	$(140,024)	$(22,815)	$424,284
Latin America	175,637	(90,116)	–	(21,134)	2,126	66,513
Europe	160,140	(87,735)	–	(31,231)	2,780	43,954
Exploration	–	–	(54,958)	(97)	(1,627)	(56,682)
	$1,422,521	$(677,472)	$ (54,958)	$(192,486)	$(19,536)	$478,069
Segment income						$478,069
Corporate and other:						
Interest and sundry income						10,254
Gain on acquisition of Comaplex Minerals Corp., net of transaction costs						57,526
Gain on sale of available-for-sale securities						19,487
Gain on derivative financial instruments						7,612
General and administrative						(94,327)
Provincial capital tax						6,075
Interest expense						(49,493)
Income before income and mining taxes						$435,203

	Total Assets as at December 31,	
	2012	2011
Canada	$3,279,881	$3,205,158
Latin America	1,069,379	1,020,078
Europe	846,941	771,714
Exploration	59,641	37,312
	$5,255,842	$5,034,262

	Capital Expenditures Years Ended December 31,		
	2012	2011	2010
Canada	$316,234	$347,790	$335,198
Latin America	69,225	39,966	104,475
Europe	60,036	86,514	71,968
Exploration	55	8,561	–
	$445,550	$482,831	$511,641

20. SUBSEQUENT EVENTS

On March 19, 2013, the Company entered into a subscription agreement for 9,600,000 units of ATAC Resources Ltd. ("ATC") at a private placement price of C$1.35 per unit for total consideration of C$13.0 million. Each unit is comprised of one common share of ATC and one-half of one common share purchase warrant, representing 8.48% of the issued and outstanding common shares of ATC. Each whole common share purchase warrant entitles the holder to acquire one common share of ATC at a price of C$2.10 for a period of 18 months from the March 22, 2013 closing date. If the closing price of ATC's common shares exceeds C$3.00 for a period of ten consecutive trading days subsequent to the expiry of the applicable four month hold period, ATC may provide notice that the common share purchase warrants will expire 30 days from the date of such notice.

21. SECURITIES CLASS ACTION LAWSUITS

On November 7, 2011 and November 22, 2011, the Company and certain current and former officers who also are, or were, directors were named as defendants in two putative class action lawsuits, styled *Jerome Stone v. Agnico-Eagle Mines Ltd., et al.* , and *Chris Hastings v. Agnico-Eagle Mines Limited, et al.* , respectively, which were filed in the United States District Court for the Southern District of New York. On February 6, 2012, the court entered an order consolidating the actions under the caption *In re Agnico-Eagle Mines Ltd. Securities Litigation* and appointed a lead plaintiff (not one of the plaintiffs who filed the original complaints). On April 6, 2012, the lead plaintiff served its Consolidated Complaint (the "Complaint"). The Complaint names the Company, its current Chief Executive Officer and its former President and Chief Operating Officer as defendants and purports to be brought on behalf of all persons and entities who purchased or otherwise acquired the Company's publicly traded securities in the United States or on a U.S. exchange during the period July 28, 2010 through October 19, 2011 (the "Class Period"). The Complaint alleges, among other things, that defendants violated U.S. securities laws by misrepresenting the Company's gold reserves and the status, ability to operate and projected production of its Goldex mine. The Complaint seeks, among other things, (i) a determination that the action is a proper class action and (ii) an award of unspecified damages, attorneys' fees and expenses. On June 6, 2012, the Company and the other defendants filed a motion, pursuant to the Private Securities Litigation Reform Act and Rules 9(b) and 12(b)(6) of the Federal Rules of Civil Procedure, to dismiss the Consolidated Complaint, for failure to state a claim upon which relief could be granted. On January 14, 2013, Judge Oetken granted the Company's motion to dismiss the Complaint and all claims therein and denied the plaintiffs' request for leave to amend the Complaint. On February 12, 2013, the plaintiffs filed a Notice of Appeal to the United States Court of Appeals for the Second Circuit. No date has been set for the appeal.

On March 8, 2012 and April 10, 2012, a Notice of Action and Statement of Claim (collectively, the "Ontario Claim") were issued by William Leslie, AFA Livforsakringsaktiebolag and certain other entities against the Company and

certain of its current and former officers and directors. On September 27, 2012, the plaintiffs issued a Fresh as Amended Statement of Claim. The Fresh as Amended Statement of Claim alleges that the Company's public disclosure concerning water flow issues at its Goldex mine was misleading. The Ontario Claim was issued by the plaintiffs on behalf of all persons and entities who acquired securities of the Company during the period March 26, 2010 to October 19, 2011, excluding persons resident or domiciled in the Province of Quebec at the time they purchased or acquired such securities. The plaintiffs seek, among other things, damages of C$250.0 million and to certify the Ontario Claim as a class action. The plaintiffs have brought motions for leave to commence an action under s. 138 of the *Securities Act* (Ontario) and to certify the action as a class action, which are scheduled to be argued April 16, 2013 to April 19, 2013. The Company intends to vigorously contest the motions and defend the Ontario Claim.

On April 12, 2012, two senior officers of the Company were served with a Motion for Leave to Institute a Class Action and for the Appointment of a Representative Plaintiff (the "Quebec Motion"). The action is on behalf of all persons and entities residing or domiciled in Quebec who acquired securities of the Company between March 26, 2010 and October 19, 2011. The proposed class action is for damages of C$100.0 million arising as a result of allegedly misleading disclosure by the Company concerning its operations at the Goldex mine. On October 15, 2012, the plaintiffs served an amended Quebec Motion seeking leave to commence an action under the *Securities Act* (Quebec) in addition to seeking authorization to institute a class action. No date has been set for the hearing to argue the Quebec Motion. The Company intends to vigorously contest the Quebec Motion and defend the claim.

ITEM 19 EXHIBITS

Exhibits and Exhibit Index. The following Exhibits are filed as part of this Annual Report on Form 20-F and incorporated herein by reference to the extent applicable.

EXHIBIT INDEX

Exhibit No.	Description	
1.01	Articles of Amalgamation of the Company.	*
1.02	By-Law No. 1 of the Company.	*
4.01	Second Amended and Restated Credit Agreement, dated as of August 4, 2011, between the Company, the guarantors party thereto, the lenders party thereto and The Bank of Nova Scotia (incorporated by reference to Exhibit 4.01 to the Company's Annual Report on Form 20-F (File No. 001-13422) for the fiscal year ended December 31, 2011, filed with the SEC on March 29, 2012).	*
4.02	Amendment No. 1 to the Second Amended and Restated Credit Agreement, dated as of July 20, 2012, between the Company, the guarantors party thereto, the lenders party thereto and The Bank of Nova Scotia.	*
4.03	Amended and Restated Stock Option Plan.**	*
4.04	Amended and Restated Incentive Share Purchase Plan.**	*
4.05	Restricted Share Unit Plan for Directors, Senior Executives and Employees of Agnico-Eagle Mines Limited, as amended.**	*
4.06	Warrant Indenture, dated as of April 4, 2009, between the Company and Computershare Trust Company of Canada (incorporated by reference to Exhibit 4.05 to the Company's Annual Report on Form 20-F (File No. 001-13422) for the fiscal year ended December 31, 2009, filed with the SEC on March 26, 2010).	*
4.07	Note Purchase Agreement, dated as of April 7, 2010, between the Company and the purchasers party thereto (incorporated by reference to Exhibit 4.05 to the Company's Annual Report on Form 20-F (File No. 001-13422) for the fiscal year ended December 31, 2010, filed with the SEC on March 28, 2011).	*
4.08	Note Purchase Agreement, dated as of July 24, 2012, between the Company and the purchasers party thereto.	*
4.09	Credit Agreement, dated as of June 26, 2012, between the Company, the guarantors party thereto and the Bank of Nova Scotia relating to a C$150 million uncommitted letter of credit facility.	*
8.01	List of subsidiaries of the Company.	*
11.01	Code of Business Conduct and Ethics of the Company.	*
12.01	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Subsections (A) and (B) of Section 1350, Chapter 63 of Title 18, United States Code) (Sean Boyd).	*
12.02	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Subsections (A) and (B) of Section 1350, Chapter 63 of Title 18, United States Code) (David Smith).	*
13.01	Certification pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Sean Boyd).***	*
13.02	Certification pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (David Smith).***	*
15.01	Consent of Independent Registered Public Accounting Firm.	*
15.02	Audit Committee Charter (incorporated by reference to Exhibit 15.04 to the Company's Annual Report on Form 20-F (File No. 001-13422) for the fiscal year ended December 31, 2005 filed with the SEC on March 28, 2006).	*
15.03	Consent of Daniel Doucet.	*
101	The following financial information from Agnico-Eagle Mines Limited's Comparative Audited Consolidated Financial Statements, formatted in XBRL (Extensible Business Reporting Language) and furnished electronically herewith: (i) the Consolidated Statements of Income; (ii) the Consolidated Statements of Cash Flow; (iii) the Consolidated Balance Sheets; (iv) the Consolidated Statements of Shareholders' Equity; (v) the Consolidated Statements of Comprehensive Income; and (vi) the Notes to Consolidated Financial Statements, tagged as blocks of text.	

* Such exhibits and other information filed by the Company with the SEC are available to shareholders upon request at the SEC's public reference section, may be inspected and copied at prescribed rates at the public reference room maintained by the SEC located at 110 F Street, N.E., Room 1580, Washington, D.C. 20549, U.S.A. or may be accessed electronically at the SEC's website (www.sec.gov).

** Management contracts or compensatory plan, contract or arrangements required to be filed and herein incorporated as an exhibit.

*** Pursuant to the SEC Release No. 33-8212 and 34-47551, this certification will be treated as "accompanying" this Annual Report on Form 20-F and not "filed" as part of such report for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of Section 18 of the Exchange Act, and this certification will not be incorporated by reference into any filing under the U.S. Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on Form 20-F on its behalf.

AGNICO-EAGLE MINES LIMITED

Toronto, Canada
March 28, 2013

By: /s/ DAVID SMITH

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

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Ministry of Government Services
Ontario

Ministère des Services gouvernementaux

Ontario Corporation Number
Numéro de la société en Ontario

1886737

CERTIFICATE
This is to certify that these articles are effective on

CERTIFICAT
Ceci certifie que les présents statuts entrent en vigueur le

JANUARY 01 JANVIER, 2013

Director / Directrice
Business Corporations Act / Loi sur les sociétés par actions

Form 4
Business Corporations Act

Formule 4
Loi sur les sociétés par actions

ARTICLES OF AMALGAMATION
STATUTS DE FUSION

1. The name of the amalgamated corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale de la société issue de la fusion: (Écrire en LETTRES MAJUSCULES SEULEMENT) :

AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE

2. The address of the registered office is:
Adresse du siège social :

145 King Street East, Suite 400
Street & Number or R.R. Number & if Multi-Office Building give Room No. /
Rue et numéro ou numéro de la R.R. et, s'il s'agit d'un édifice à bureaux, numéro du bureau

Toronto — ONTARIO — M5C2Y7
Name of Municipality or Post Office / Nom de la municipalité ou du bureau de poste — Postal Code/Code postal

3. Number of directors is: / Nombre d'administrateurs :
Fixed number / Nombre fixe: [ ]
OR minimum and maximum / OU minimum et maximum: 5 to 15

4. The director(s) is/are: / Administrateur(s) :

First name, middle names and surname / Prénom, autres prénoms et nom de famille	Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code / Domicile élu, y compris le rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal	Resident Canadian State 'Yes' or 'No' / Résident canadien Oui/Non
Pertti Voutilainen		No
Leanne Baker		No
Douglas R. Beaumont		Yes

07121 (201105)

5. Method of amalgamation, check A or B
Méthode choisie pour la fusion – Cocher A ou B :

A - **Amalgamation Agreement / Convention de fusion :**

☐ The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.
Les actionnaires de chaque société qui fusionnne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

or
ou

B - **Amalgamation of a holding corporation and one or more of its subsidiaries or amalgamation of subsidiaries / Fusion d'une société mère avec une ou plusieurs de ses filiales ou fusion de filiales :**

☒ The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.
Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la *Loi sur les sociétés par actions* à la date mentionnée ci-dessous.

The articles of amalgamation in substance contain the provisions of the articles of incorporation of
Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de

Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée

and are more particularly set out in these articles.
et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations Dénomination sociale des sociétés qui fusionnent	Ontario Corporation Number Numéro de la société en Ontario	Date of Adoption/Approval Date d'adoption ou d'approbation Year / année — Month / mois — Day / jour
Agnico-Eagle Mines Limited/Mines Agnico-Eagle Limitée	1840787	2012-12-18
1886120 Ontario Inc.	1886120	2012-12-18

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

None.

7. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

The Corporation is authorized to issue an unlimited number of shares of one class designated as common shares.

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

The holders of the common shares are entitled:

(a) to vote at all meetings of shareholders; and

(b) to receive the remaining property of the Corporation upon dissolution.

9. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :

The issue, transfer and ownership of shares of the Corporation is not restricted.

10. Other provisions, (if any):
Autres dispositions, s'il y a lieu :

The board of directors may from time to time, in such amounts and on such terms as it deems expedient:

(a) borrow money on the credit of the Corporation;

(b) issue, sell or pledge debt obligations (including bonds, debentures, notes or other similar obligations, secured or unsecured) of the Corporation;

(c) charge, mortgage, hypothecate or pledge all or any of the currently-owned or subsequently-acquired real or personal, movable or immovable, property of the Corporation, including book debts, rights, powers, franchises and undertakings to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation.

The board of directors may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the board all or any of the powers conferred on the board above to such extent and in such manner as the board shall determine at the time of each such delegation.

The English form "Agnico-Eagle Mines Limited" and the French form "Mines Agnico-Eagle Limitée" of the name of the Corporation are equivalent and are used separately.

11. The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".
Les déclarations exigées aux termes du paragraphe 178(2) de la *Loi sur les sociétés par actions* constituent l'annexe A.

12. A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

Name and original signature of a director or authorized signing officer of each of the amalgamating corporations. Include the name of each corporation, the signatories name and description of office (e.g. president, secretary). Only a director or authorized signing officer can sign on behalf of the corporation. / Nom et signature originale d'un administrateur ou d'un signataire autorisé de chaque société qui fusionne. Indiquer la dénomination sociale de chaque société, le nom du signataire et sa fonction (p. ex. ; président, secrétaire). Seul un administrateur ou un dirigeant habilité peut signer au nom de la société.

AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction
	R. GREGORY LAING	CORPORATE SECRETARY

1886120 ONTARIO INC.

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction
	R. GREGORY LAING	DIRECTOR

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

Names of Corporations / Dénomination sociale des sociétés

By / Par

Signature / Signature	Print name of signatory / Nom du signataire en lettres moulées	Description of Office / Fonction

4. The director(s) is/are:
Administrateur(s) :

First name, middle names and surname *Prénom, autres prénoms et nom de famille*	Address for services, giving street & No. or R.R. No., Municipality, Province, Country and Postal code. *Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal*	Resident Canadian State 'Yes' or 'No' *Résident canadien Oui/Non*
Sean Boyd		Yes
Bernard Kraft		Yes
Mel Leiderman		Yes
James D. Nasso		Yes
Howard Stockford		Yes
Clifford J. Davis		Yes
J. Merfyn Roberts		No
Robert J. Gemmell		Yes
Sean Emmet Riley		Yes
Martine Celej		Yes

Schedule A

AGNICO-EAGLE MINES LIMITED

STATEMENT OF DIRECTOR OR OFFICER
PURSUANT TO SUBSECTION 178(2) OF
THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

I, R. Gregory Laing, of the Town of Oakville, in the Province of Ontario, hereby state as follows:

1. This Statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (the "Act").

2. I am the General Counsel, Senior Vice-President, Legal and Corporate Secretary of AGNICO-EAGLE MINES LIMITED (the "Corporation") and as such have knowledge of its affairs.

3. I have conducted such examinations of the books and records of the Corporation as are necessary to enable me to make the statements set forth below.

4. There are reasonable grounds for believing that:

   (a) the Corporation is, and the corporation to be formed by the amalgamation (the "Amalgamation") of the Corporation and 1886120 Ontario Inc. will be, able to pay its liabilities as they become due; and

   (b) the realizable value of such amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.

5. There are reasonable grounds for believing that no creditor of the Corporation will be prejudiced by the Amalgamation.

6. The Corporation has not been notified by any creditor that it objects to the Amalgamation.

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This Statement is made this 18 day of December, 2012.

R. Gregory Laing
General Counsel, Senior Vice President,
Legal and Corporate Secretary

Tor#: 2928123.1

Schedule A

1886120 ONTARIO INC.

STATEMENT OF DIRECTOR OR OFFICER
PURSUANT TO SUBSECTION 178(2) OF
THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

I, R. Gregory Laing, of the Town of Oakville, in the Province of Ontario, hereby state as follows:

1. This Statement is made pursuant to subsection 178(2) of the *Business Corporations Act* (the "Act").

2. I am the sole director of 1886120 ONTARIO INC. (the "Corporation") and as such have knowledge of its affairs.

3. I have conducted such examinations of the books and records of the Corporation as are necessary to enable me to make the statements set forth below.

4. There are reasonable grounds for believing that:

   (a) the Corporation is, and the corporation to be formed by the amalgamation (the "Amalgamation") of the Corporation and Agnico-Eagle Mines Limited will be, able to pay its liabilities as they become due; and

   (b) the realizable value of such amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes.

5. There are reasonable grounds for believing that no creditor of the Corporation will be prejudiced by the Amalgamation.

6. The Corporation has not been notified by any creditor that it objects to the Amalgamation.

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This Statement is made this 18 day of December, 2012.

R. Gregory Laing
Director

Tox#: 2928124.1

Schedule B

RESOLUTION OF THE DIRECTORS
OF
AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE

"AMALGAMATION WITH 1886120 ONTARIO INC.

WHEREAS subsection 177(1) of the *Business Corporations Act* (Ontario) (the "Act") provides that a holding corporation and one or more of its wholly-owned subsidiary corporations may amalgamate and continue as one corporation in the manner therein provided without complying with sections 175 and 176 of the Act;

AND WHEREAS 1886120 Ontario Inc. (the "Subsidiary") is a wholly-owned subsidiary corporation of AGNICO-EAGLE MINES LIMITED (the "Corporation") existing under the laws of the province of Ontario;

AND WHEREAS it is considered desirable and in the best interests of the Corporation that the Corporation and the Subsidiary amalgamate (the "Amalgamation") and continue as one corporation (the "Amalgamated Corporation") pursuant to subsection 177(1) of the Act;

AND WHEREAS R. Gregory Laing, being an officer of the Corporation, has disclosed, pursuant to subsection 132(6) of the Act, the nature and extent of his interest in the Amalgamation by virtue of his also being the sole director and officer of the Subsidiary;

AND WHEREAS subsection 132(5) of the Act provides that a director having an interest in a contract or transaction with the corporation within the meaning of subsection 132(1) of the Act shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction, unless the contract or transaction is, among other things, one with an affiliate;

AND WHEREAS the Corporation and the Subsidiary are affiliated within the meaning of the Act;

AND WHEREAS subsection 132(7) of the Act provides that where a material contract is made or a material transaction is entered into between a corporation and another person of which a director or officer of the corporation is a director or officer or in which he or she has a material interest, the director or officer is not accountable to the corporation or to its shareholders for any profit or gain realized from the contract or transaction and the contract or transaction is neither void nor voidable, by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his or her interest in accordance with the applicable provisions of section 132 and the contract or transaction was reasonable and fair to the corporation at the time it was so approved;

NOW THEREFORE IT IS RESOLVED THAT:

1. the Amalgamation of the Corporation and the Subsidiary, to be effective as of the first moment on January 1, 2013 pursuant to the provisions of subsection 177(1) of the Act, is approved;

2. the directors determine that the Amalgamation is reasonable and fair to the Corporation;

3. upon the Amalgamation becoming effective, all the shares (whether issued or unissued) of the Subsidiary shall be cancelled without any repayment of capital in respect thereof;

4. upon the Amalgamation becoming effective, the by-laws of the Corporation as in effect immediately prior to the Amalgamation shall be the by-laws of the Amalgamated Corporation;

5. except as may be prescribed, the articles of the amalgamation shall be the same as the articles of the Corporation;

6. no securities shall be issued and no assets shall be distributed by the Amalgamated Corporation in connection with the Amalgamation; and

7. any one director or officer is authorized and directed, for and in the name of and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such agreements, instruments, certificates and other documents and to do all such other acts and things as they may determine to be necessary or advisable in connection with the Amalgamation, including the execution and delivery to the Director appointed under the Act of articles of amalgamation in the prescribed form in respect of the

Amalgamation, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

[REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK.]

The undersigned, being the General Counsel, Senior Vice-President, Legal and Corporate Secretary of AGNICO-EAGLE MINES LIMITED/MINES AGNICO-EAGLE LIMITÉE (the "Corporation") hereby certifies that the foregoing is a true and correct copy of a resolution passed by the directors of the Corporation on December 18, 2012, which resolution is in full force and effect as of the date hereof, unamended.

DATED December 18, 2012.

R. Gregory Laing
General Counsel, Senior Vice-President,
Legal and Corporate Secretary

Tor#: 2928127.1

Schedule B

RESOLUTION OF THE DIRECTORS
OF
1886120 ONTARIO INC.

"AMALGAMATION WITH AGNICO-EAGLE MINES LIMITED

WHEREAS subsection 177(1) of the *Business Corporations Act* (Ontario) (the "Act") provides that a holding corporation and one or more of its wholly-owned subsidiary corporations may amalgamate and continue as one corporation in the manner therein provided without complying with sections 175 and 176 of the Act;

AND WHEREAS 1886120 ONTARIO INC. (the "Corporation") is a wholly-owned subsidiary of Agnico-Eagle Mines Limited ("Parentco") existing under the laws of the province of Ontario;

AND WHEREAS it is considered desirable and in the best interests of the Corporation that the Corporation and Parentco amalgamate (the "Amalgamation") and continue as one corporation (the "Amalgamated Corporation") pursuant to subsection 177(1) of the Act;

AND WHEREAS R. Gregory Laing, being the sole director and officer of the Corporation, has disclosed, pursuant to subsection 132(6) of the Act, the nature and extent of his interest in the Amalgamation by virtue of his also being an officer of Parentco;

AND WHEREAS subsection 132(5) of the Act provides that a director having an interest in a contract or transaction with the corporation within the meaning of subsection 132(1) of the Act shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction, unless the contract or transaction is, among other things, one with an affiliate;

AND WHEREAS the Corporation and Parentco are affiliated within the meaning of the Act;

AND WHEREAS subsection 132(7) of the Act provides that where a material contract is made or a material transaction is entered into between a corporation and another person of which a director or officer of the corporation is a director or officer or in which he or she has a material interest, the director or officer is not accountable to the corporation or to its shareholders for any profit or gain realized from the contract or transaction and the contract or transaction is neither void nor voidable, by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his or her interest in accordance with the applicable provisions of section 132 and the contract or transaction was reasonable and fair to the corporation at the time it was so approved;

NOW THEREFORE IT IS RESOLVED THAT:

1. the Amalgamation of the Corporation and the Subsidiary, to be effective as of the first moment on January 1, 2013 pursuant to the provisions of subsection 177(1) of the Act, is approved;

2. the director determines that the Amalgamation is reasonable and fair to the Corporation;

3. upon the Amalgamation becoming effective, all the shares (whether issued or unissued) of the Corporation shall be cancelled without any repayment of capital in respect thereof;

4. upon the Amalgamation becoming effective, the by-laws of Parentco as in effect immediately prior to the Amalgamation shall be the by-laws of the Amalgamated Corporation;

5. except as may be prescribed, the articles of the amalgamation shall be the same as the articles of Parentco;

6. no securities shall be issued and no assets shall be distributed by the Amalgamated Corporation in connection with the Amalgamation; and

7. any director or officer of the Corporation is authorized and directed, for and in the name of and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such agreements, instruments, certificates and other documents and to do all such other acts and things as they may determine to be necessary or advisable in connection with the Amalgamation, including the execution and delivery to the Director appointed under the Act of articles of amalgamation in the prescribed form in respect of

the Amalgamation, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

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The undersigned, being the sole director of the Corporation, hereby certifies that the foregoing is a true and correct copy of a resolution passed by the sole director of the Corporation on December 18, 2012, which resolution is in full force and effect as of the date hereof, unamended.

DATED December 18, 2012.

R. Gregory Laing
Director

Tor#: 2928126.1

Exhibit 1.02

BY-LAW NO. 1

This by-law relates generally to the transaction of the business and affairs of Agnico-Eagle Mines Limited.

Contents

The following by-law is enacted as a by-law of the Corporation.

SECTION 1
INTERPRETATION

1.1 Definitions

In this by-law and in all other by-laws of the Corporation the following terms shall have the meanings set out below:

" **Act** " means the *Business Corporations Act* (Ontario), including the regulations made thereunder, as amended from time to time, or any statute or regulations that may be substituted therefore and, in the case of such substitution, any references in the by-laws to provisions in the Act or regulations shall be read as references to the substituted provisions therefore in the new statute or regulations, as amended from time to time;

" **appoint** " includes " **elect** " and *vice versa* ;

" **board** " means the board of directors of the Corporation;

" **by-laws** " means this by-law and all other by-laws of the Corporation from time to time in force;

" **cheque** " includes a bank draft and a money order;

" **committee** " means a committee of directors appointed by the board;

" **Corporation** " means Agnico-Eagle Mines Limited;

" **director** " means a member of the board, except as otherwise expressly provided;

" **meeting of shareholders** " means an annual meeting of shareholders or a special meeting of shareholders;

" **non-business day** " means any day that is a Saturday, Sunday or any other day that is a holiday as defined in the *Retail Business Holidays Act* (Ontario), and in any statute that may be substituted therefore, as amended from time to time;

" **officer** " means an officer of the Corporation, except as otherwise expressly provided;

" **recorded address** " means:

(a) in the case of a shareholder, such person's latest address as shown in the records of the Corporation or its transfer agent, and in the case of joint shareholders, the address appearing in the securities register in respect of the joint holding or the first address so appearing, if there is more than one;

(b) in the case of an officer or auditor of the Corporation, such person's address as shown in the records of the Corporation; and

(c) in the case of a director, such individual's latest address shown in the records of the Corporation or in the most recent notice filed by the Corporation under the *Corporations Information Act* (Ontario), and any statute that may be substituted therefore, as amended from time to time, whichever is the more current;

" **shareholder** " means a shareholder of the Corporation, except as otherwise expressly provided; and

" **special meeting of shareholders** " includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders.

1.2 Principles of Interpretation

Except for the terms defined in section 1.1, terms defined in the Act have the same meaning when used in this by-law.

Words importing the singular number include the plural and *vice versa* . Words importing gender include the masculine, feminine and neuter genders.

SECTION 2
BUSINESS OF THE CORPORATION

2.1 Registered Office

The registered office of the Corporation shall be in the municipality or geographic township within Ontario initially specified in the Corporation's articles and thereafter as the shareholders may from time to time determine by special resolution. The location of the registered office in such municipality or geographic township shall be the location determined from time to time by the board.

2.2 Corporate Seal

The Corporation may have a corporate seal. If a seal is adopted it shall be in a form approved from time to time by the board.

2.3 Financial Year

Until changed by the board, the financial year of the Corporation shall end on December 31 in each year.

2.4 Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of the Corporation by two signing authorities. One signing authority shall be a director, the president, or a vice-president of the Corporation. The other signing authority shall be a director, the president, a vice-president, the secretary, the treasurer, an assistant secretary or an assistant treasurer of the Corporation, or any other officer appointed by the board.

The board or the two signing authorities may from time to time direct the manner in which, and the person or persons by whom, any particular instrument or class of instruments may or shall be signed. Any signing authority may affix the corporate seal to any instrument requiring the seal.

2.5 Banking Arrangements

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefore, shall be transacted with such banks, trust companies and/or other persons as may from time to time be designated by, or under the authority of, the board. Such banking business, or any part thereof, shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe.

2.6 Voting Rights in Other Bodies Corporate

The signing authorities of the Corporation described in section 2.4 may execute and deliver proxies, and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights, attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the signing authorities executing or arranging for the same. In addition, the board may from time to time direct the manner in which, and the persons by whom, any particular voting rights, or class of voting rights, may or shall be exercised.

SECTION 3
BORROWING AND SECURITY

3.1 Borrowing Power

Without limiting the borrowing powers of the Corporation as set forth in section 184 of the Act, but subject to the Corporation's articles, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

(a) borrow money upon the credit of the Corporation;

(b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;

(c) to the extent permitted by the Act, give directly or indirectly financial assistance to any person by means of a loan, a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or other obligation of any person, or otherwise; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, tangible or intangible, property of the Corporation to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or other obligation of the Corporation.

Nothing in this section 3.1 limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by, or on behalf of, the Corporation.

3.2 Delegation

Subject to the Act and the Corporation's articles, the board may from time: to time delegate to a committee, a director, an officer or any other person as may be designated by the board, all or any of the powers conferred on the board by section 3.1 or by the Act, to such extent and in such manner, as the board may determine at the time of such delegation.

SECTION 4
DIRECTORS

4.1 Number of Directors

Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number of directors, which shall not be fewer than three, and not more than the maximum number of directors set out in the Corporation's articles.

4.2 Qualification

No individual shall be qualified for election or appointment as a director if the individual, (i) is less than 18 years of age, (ii) is of unsound mind and has been so found by a court in Canada or elsewhere, (iii) is not an individual, or (iv) has the status of a bankrupt. A director need not be a shareholder. At least 25% of the directors shall be resident Canadians. At least one-third of the directors shall not be officers or employees of the Corporation or any of its affiliates.

4.3 Election and Term — General

An election of directors shall take place at each annual meeting of shareholders. A director's term of office (subject to the provisions, if any, of the Corporation's articles, and subject to such director's election for a stated term) shall be from the date of the meeting at which such director is elected or appointed until the close of the annual meeting of shareholders next following such election or appointment or until a successor is elected or appointed.

4.4 Removal of Directors

Subject to the Act, the shareholders may, by ordinary resolution passed at a meeting of shareholders, remove any director from office and may, at that meeting, elect a qualified individual in place of that director for the unexpired term of that director. If such vacancy is not filled, a quorum of directors may fill the vacancy in accordance with the procedure set out in section 4.6.

4.5 Vacation of Office

A director ceases to hold office when the director, (i) dies, (ii) is removed from office by the shareholders, (iii) ceases to be qualified for election as a director, as described in section 4.2, or (iv) subject to subsection 119(2) of the Act (concerning the resignation of directors named in the articles), delivers the director's written resignation and it is received by the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.

4.6 Vacancies

Subject to the Act, a quorum of directors (whether or not the majority of such quorum are resident Canadians) may appoint an individual to fill a vacancy among the directors, except a vacancy resulting from:

(a) an increase in the number of directors otherwise than an increase in the number of directors in accordance with a special resolution empowering the board to determine the number of directors within a range set out in the articles, provided that such quorum of directors may not appoint any director to fill a vacancy if the total number of directors, after such appointment, is greater than one and one-third times the number of directors required to have been elected at the last annual meeting of shareholders;

(b) an increase in the maximum number of directors set out in the articles; or

(c) a failure to elect the number of directors required to be elected at any meeting of shareholders.

A director appointed or elected by a quorum of directors to fill a vacancy holds office for the unexpired term of such new director's predecessor.

4.7 Action by the Board

The board shall manage or supervise the management of the business and affairs of the Corporation. The powers of the board may be exercised at a meeting (subject to sections 4.8 and 4.9) at which a quorum of directors is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. If there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum of directors remains in office.

4.8 Meeting by Telephone

If all the directors consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the board or of a committee by means of such telephone, electronic or other communications facilities as permit all individuals participating in the meeting to communicate with each other simultaneously and instantaneously. A director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which the consent relates and may be given with respect to all meetings of the board and of committees.

4.9 Place of Meetings

Meetings of the board may be held at any place in or outside Ontario and in any financial year of the Corporation. A majority of the meetings need not be held in Ontario.

4.10 Calling of Meetings

Meetings of the board shall be held from time to time at such time and at such place as the board, the chairman of the board, the managing director, the president or any two directors may determine.

4.11 Notice of Meeting

Notice of time and place of each meeting of the board shall be given in the manner provided in Section 11 to each director not fewer than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of, or the business to be transacted at, the meeting except where the Act requires such purpose or business or the general nature thereof to be specified.

4.12 First Meeting of the New Board

Provided a quorum of directors is present, each board containing newly elected directors may without notice hold a meeting immediately following the meeting of shareholders at which such directors were elected.

4.13 Regular Meetings

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed. No other notice shall be required for any such regular meeting except where the Act requires the purpose thereof, or the business to be transacted thereat, to be specified.

4.14 Chairman and Secretary

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, managing director or president. If no such individual is present, the directors present shall choose one of their number to be chairman

of the meeting. If the secretary of the Corporation is absent from any meeting of the board, the chairman of the meeting shall appoint an individual, who need not be a director, to act as secretary of the meeting.

4.15 Quorum

Subject to section 4.8 the quorum of directors for the transaction of business at any meeting of the board shall be at least 50% of the number of directors holding office at the beginning of such meeting, or such greater number of directors as the board may from time to time determine.

4.16 Votes to Govern

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the board shall be decided by a show of hands unless a ballot is requested by any director present.

4.17 Adjournment

Any meeting of directors, or of any committee, may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. No notice of the time and place for the holding of the adjourned meeting need be given to any director if the time and place of the adjourned meeting is announced at the original meeting.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum of directors is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum of directors present at the adjourned meeting, the original meeting shall be deemed to have terminated at its adjournment.

4.18 Conflict of Interest

A director who (i) is a party to, (ii) is a director or officer of a body corporate (other than the Corporation) who is a party to, or (iii) has a material interest in any person who is a party to, a material contract or transaction, or proposed material contract or transaction, with the Corporation shall disclose to the Corporation the nature and extent of such director's interest at the time and in the manner provided by the Act. Such a director shall not vote on any resolution to approve the same except as permitted by the Act.

4.19 Remuneration and. Expenses

The directors shall be paid such remuneration for their services as the board may from time to time determine. Such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a director.

The directors may also by resolution award special remuneration to any director for undertaking any special services on the Corporation's behalf, other than the normal work ordinarily required of a director of the Corporation. The confirmation of any such resolution or resolutions by the shareholders is not required.

The directors are also entitled to be reimbursed for travelling and other expenses properly incurred by such directors in attending meetings of the board or any committee. The directors may fix the remuneration of any officers and/or employees of the Corporation.

SECTION 5
COMMITTEES

5.1 Committees

The board may appoint from its number one or more committees, however designated, and delegate to any such committee any of the powers of the board except that no such committee shall have the authority to:

(a) submit to the shareholders any question or matter requiring the approval of the shareholders;

(b) fill a vacancy among the directors or in the office of auditor or appoint or remove any of the chief executive officer, however designated, the chief financial officer, however designated, the chairman or the president of the Corporation;

(c) subject to section 184 of the Act, issue securities except in the manner and on the terms authorized by the directors;

(d) declare dividends;

(e) purchase, redeem or otherwise acquire shares issued by the Corporation;

(f) pay a commission referred to in section 37 of the Act;

(g) approve a management information circular referred to in Part VIII of the Act;

(h) approve a take-over bid circular, directors' circular or issuer bid circular referred to in Part XX of the *Securities Act* (Ontario);

(i) approve any financial statements referred to in clause 154(1)(b) of the Act and Part XVIII of the *Securities Act* (Ontario); or

(j) adopt, amend or repeal by-laws.

5.2 Transaction of Business

The powers of a committee may be exercised by a meeting at which a quorum of the members of the committee is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of each committee may be held at any place in or outside Ontario.

5.3 Audit Committee

The board shall elect annually from among its number an audit committee to be composed of not fewer than three directors of whom a majority shall not be officers or employees of the Corporation or its affiliates, to hold office until the next annual meeting of the shareholders. Each member of the audit committee shall serve at the pleasure of the board. Each member of the audit committee immediately ceases to be such a member when the individual ceases to be a director. The board may fill vacancies in the audit committee by election from among their number.

The audit committee shall review the financial statements of the Corporation and shall report thereon to the board prior to approval thereof by the board. The audit committee shall have such other powers and duties as may from time to time be assigned to the audit committee by the board.

Any member or the audit committee or the auditor or the Corporation may call a meeting or the audit committee.

The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat. The auditor shall attend every meeting of the audit committee held during the term of office of the auditor if so requested by a member of the audit committee.

5.4 Advisory Bodies

The board may from time to time appoint such advisory bodies as the board deems advisable.

5.5 Procedure

Unless otherwise determined by the board, each committee and advisory body shall have power to fix a quorum at not less than a majority of such committee's or body's members, to elect a chairman and to regulate procedure.

SECTION 6
OFFICERS

6.1 Appointment

The board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. One individual may hold more than one office. Subject to sections 6.2 and 6.3, an officer may, but need not be, a director.

6.2 Chairman of the Board

The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to the chairman of the board any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president. Subject to the Act, the chairman of the board shall have such other powers and duties as the board may specify or as are incidental to such office.

6.3 Managing Director

The board may from time to time also appoint a managing director who shall be a director. If appointed, the managing director shall, subject to the Act and the authority of the board, have general supervision of the business and affairs of the Corporation. Subject to the Act, the managing director shall have such other powers and duties as the board may specify or as are incidental to such office.

6.4 President

The president shall have such powers and duties as the board may specify or as are incidental to such office.

6.5 Vice-President

A vice-president shall have such powers and duties as the board may specify or as are incidental to such office.

6.6 Secretary

Unless otherwise determined by the board, the secretary shall be the secretary of all meetings of the board, shareholders and committees that the secretary attends. The secretary shall enter, or cause to be entered, in records kept for that purpose minutes of all proceedings at meetings of the board, shareholders and committees, whether or not the secretary attends such meetings.

The secretary shall give, or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees. The secretary shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, records and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose. The secretary shall have such other powers and duties as the board may specify or as are incidental to such office.

6.7 Treasurer

The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. The treasurer shall render to the board whenever required an account of all the treasurer's transactions as treasurer and of the financial position of the Corporation. The treasurer shall have such other powers and duties as the board may specify or as are incidental to such office.

6.8 Powers and Duties of Officers

Subject to the Act, the powers and duties of all officers (aside from the chairman of the board, the managing director and the president, whose powers and duties are to be specified only by the board) shall be such as the terms of their engagement call for or as the board or chief executive officer may specify. The board or the chief executive officer may, from time to time and subject to the Act, vary, add to or limit the powers and duties of any officer (aside from the chairman of the board, the managing director and the president, whose powers and duties are to be varied, added to or limited only by the board). Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

6.9 Term of Office

The board, in its discretion, or the president, in the president's discretion, may remove any officer. Otherwise each officer appointed by the board shall hold office until such officer's successor is appointed or until such officer's earlier resignation.

6.10 Agents and Attorneys

Subject to the Act, the board may from time to time appoint agents or attorneys for the Corporation in or outside Ontario with such powers of management, administration or otherwise (including the power to sub-delegate) as the board may determine.

6.11 Conflict of Interest

Each officer is subject to the disclosure requirements for directors provided in section 4.19.

SECTION 7
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.1 Standard of Care

Every director and officer in exercising the powers and discharging the duties of such director or officer shall, (i) act honestly and in good faith with a view to the best interests of the Corporation, and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

7.2 Limitation of Liability

Subject to section 7.1, and provided that nothing in this section 7.2 shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof, no director or officer shall be liable, (i) for the acts, receipts, neglects or defaults of any other director, officer or employee, (ii) for joining in any

receipt or other act for conformity, (iii) for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, (iv) for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation are invested, (v) for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation are deposited, (vi) for any loss occasioned by any error of judgment or oversight on such director's or officer's part, or (vii) for any other loss, damage or misfortune which happens in the execution of the duties of the office or in relation thereto.

7.3 Indemnity

Subject to section 136 of the Act, the Corporation shall indemnify a director or officer, a former director or officer, or an individual who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and such individual's heirs and legal representatives. The indemnification shall be against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such individual in respect of any civil, criminal or administrative action or proceeding to which such individual is made a party by reason of being or having been a director or officer of the Corporation or body corporate. The Corporation shall provide such indemnification only if:

(a) such individual acted honestly and in good faith with a view to the best interests of the Corporation; and

(b) in the case of a criminal or administrative action or proceeding enforced by a monetary penalty, such individual had reasonable grounds for believing that the impugned conduct was lawful.

The Corporation shall also indemnify such individual in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any individual entitled to indemnity to claim indemnity, apart from under this section 7.3, to the extent permitted by the Act or law.

7.4 Insurance

Subject to the Act, the Corporation may purchase and maintain such insurance for the benefit of any individual referred to in section 7.3 as the board may from time to time determine.

SECTION 8
SHARES

8.1 Issuance

Subject to the Act and the Corporation's articles, the board may from time to time issue or grant options to purchase, or rights to acquire, the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid.

8.2 Commissions

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of that person's purchasing, or agreeing to purchase, shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.3 Register of Transfer

The Corporation shall cause to be kept a register of transfers in which all transfers of securities issued by the Corporation in registered form, and the date and other particulars of each transfer, shall be set out.

8.4 Securities Records

The Corporation shall prepare and maintain, at its registered office or at any other place in Ontario designated by the board, a securities register in which the Corporation records the securities issued by the Corporation in registered form, showing with respect to each. class or series of securities:

(a) the names, alphabetically arranged, of persons who, (i) are or have been within six years registered as shareholders of the Corporation, the address including the street and number, if any, of every such person while a holder, and the number and class or series of shares registered in the name of such holder, (ii) are or have been within six years registered as holders of debt obligations of the Corporation, the address including the street and number, if any, of every such person while a holder, and the class or series and principal amount of the debt obligations registered in the name of such holder, or (iii) are or have been within six years registered as holders of warrants of the Corporation, other than warrants exercisable within one year from the date of issue, the address including the street and number, if any, of every such person while a registered holder, and the class or series and number of warrants registered in the name of such holder; and

(b) the date and particulars of the issue of each security and warrant.

8.5 Transfer Agents

For each class of securities and warrants issued by the Corporation, the directors may from time to time by resolution appoint or remove:

(a) a trustee, transfer agent or other agent to keep the securities register and the register of transfers and one or more persons or agents to keep branch registers; and

(b) a registrar, trustee or agent to maintain a record of issued security certificates and warrants.

Subject to section 48 of the Act (concerning conflict of interest), one person may be appointed for the purposes of both sections 8.6(a) and 8.6(b) in respect of all securities and warrants of the Corporation or any class or classes thereof.

8.6 Non-recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

8.7 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect of the death or to make any dividend or other payments in respect of the share except on production of all such documents as may be required by law and on compliance with the reasonable requirements of the Corporation and its transfer agents.

SECTION 9
DIVIDENDS AND RIGHTS

9.1 Dividends

Subject to the Act and the Corporation's articles, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation.

9.2 Dividend Cheques

A dividend payable in money may be paid in Canadian dollars or in any equivalent amount in any other currency, at the discretion of the board, and shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which the dividend has been declared. The cheque shall be mailed by prepaid ordinary mail to the registered holder at such holder's recorded address, unless the bolder otherwise directs.

In the case of joint holders the cheque shall, unless the joint holders otherwise direct, be made payable to the order of all the joint holders and, if more than one address is recorded in the Corporation's securities register in respect of such joint holding, the cheque shall be mailed to the first address so appearing.

The mailing of a dividend cheque, unless the cheque is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to, and does, withhold.

9.3 Non-Receipt or Loss of Cheque

In the event of non-receipt of any dividend cheque by the person to whom the cheque is sent, the Corporation shall issue a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.4 Record Date for Dividends and Rights

The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of the dividend or to exercise the right to subscribe for those securities.

Notice of any such record date shall be given not fewer than seven days before the record date in the manner provided by the Act. If no such record date is so fixed, such record date shall be at the close of business on the day on which the resolution relating to the dividend or right to subscribe is passed by the board.

9.5 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which the dividend was declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION 10
MEETINGS OF SHAREHOLDERS

10.1 Annual Meetings

The board or any director may call the mutual meeting of shareholders and, subject to section 10.2, at such place as the board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before an annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

10.2 Special Meetings

The board or any director may call a special meeting of shareholders at any time.

10.3 Place of Meetings

Subject to the Corporation's articles, each meeting of shareholders shall be held at such place in or outside Ontario as the directors determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

10.4 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section 11 not fewer than 21 nor more than 50 days before the date of the meeting to each director, to the auditor of the Corporation, and to each shareholder entitled to vote at the meeting.

All business transacted at a special meeting of shareholders and all business transacted at an annual meeting of shareholders, except consideration of the minutes of an earlier meeting, the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor, is deemed to be special business. Notice of a meeting of shareholders at which special business is to be transacted shall state or be accompanied by a statement of:

(a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and

(b) the text of any special resolution or by-law to be submitted to the meeting.

10.5 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder.

If a record date for the meeting is fixed pursuant to section 10.6, such list shall be prepared as of such record date and not later than 10 days after such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given. If no such notice is given, the shareholders listed shall be those registered at the opening of business on the day on which the meeting is held.

The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared.

10.6 Record Date for Notice

The board may fix in advance a date preceding the date of any meeting of shareholders, by not fewer than 30 and not more than 60 days, as a record date for the determination of the shareholders entitled to notice of the meeting. Notice of any such record date shall be given not fewer than seven days before the record date in accordance with the Act.

If no such record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting of shareholders shall be at the close of business on the day preceding the day on which the notice is given. If no such notice is given, the shareholders entitled to notice are those registered as shareholders at the opening of business on the day on which the meeting is held.

10.7 Meetings Without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act:

(a) if all the shareholders entitled to vote at the meeting are present in person or duly represented or if those not present or represented waive notice of, or otherwise consent to, the meeting being held; and

(b) if the auditors and the directors are present in person or waive notice of, or otherwise consent to, the meeting being held.

At such a meeting any business may be transacted which the Corporation may transact at a meeting of shareholders.

10.8 Chairman, Secretary and Scrutineers

The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and present at the meeting: chairman of the board, managing director, president, or a vice-president. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent from any meeting of the shareholders, the chairman of the meeting shall appoint an individual, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman of the meeting, with the consent of the meeting.

10.9 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote at the meeting, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under the Act or the Corporation's articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

10.10 Quorum

A quorum for the transaction of business at any meeting of shareholders shall be two individuals present in person, each being a shareholder or a proxyholder entitled to vote at the meeting, holding or representing, in the aggregate, at least 25% of the issued shares of the Corporation enjoying voting rights at such meeting.

If a quorum is present at the opening of any meeting of shareholders, the shareholders and proxyholders present may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

If a quorum is not present at the time appointed for the meeting of shareholders, or within such reasonable time after that as the shareholders and proxyholders present may determine, the shareholders and proxyholders present may adjourn the meeting to a fixed time and place, but may not transact any other business.

10.11 Right to Vote

Every person named in the list referred to in section 10.5 shall be entitled to vote the shares shown on the list opposite such person's name at the meeting to which the list relates.

10.12 Proxyholders and Representatives

Every shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, as such shareholder's nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.

A proxy shall be in written or printed format or a format generated by telephonic or electronic means and becomes a proxy when completed and signed in writing or by electronic signature by the shareholder or his attorney authorized by a document that is signed in writing or by electronic signature or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized.

The authority of such officer or attorney shall be established by depositing with the Corporation a certified copy of the instrument of the body corporate authorizing such officer or attorney to sign such proxy, or in such other manner as may be satisfactory to the secretary of the meeting or the chairman of the meeting. If a proxy or document authorizing an attorney is signed by electronic signature, the means of electronic signature shall permit a reliable determination that the proxy or document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be.

In the case of a proxy appointing a proxyholder to attend and act at a meeting of shareholders, the proxy ceases to be valid one year from the date of the proxy.

Alternatively, if the shareholder is a body corporate or association, the Corporation shall recognize any individual authorized by a resolution of the directors or governing body of the body corporate or association to represent such body corporate or association at the meeting of shareholders. For the purpose of this by-law, such authorized individual will be considered to be a proxyholder.

The authority of such authorized representative shall be established by depositing with the Corporation a certified copy of the body corporate's authorizing resolution, or in such other manner as may be satisfactory to the secretary of the meeting or the chairman of the meeting.

The Corporation shall, concurrently with or prior to sending notice of a meeting of shareholders, send a form of proxy to each shareholder who is entitled to receive notice of the meeting.

10.13 Time for Deposit of Proxies

The board may fix a time not exceeding 48 hours, excluding non-business days, preceding any meeting or adjourned meeting of shareholders before which time proxies to be used at the meeting must be deposited with the Corporation or its agent. Any time so fixed shall be specified in the notice calling the meeting.

A proxy may be acted on only if, (i) before the time so specified, the proxy was deposited with the Corporation, or its agent specified in the notice, or (ii) no such time was specified in the notice and the proxy was delivered to the secretary of the meeting or the chairman of the meeting before the time of voting.

10.14 Joint Shareholders

Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders has the right, in the absence of the other or others, to vote in respect of such share or shares, but if more than one of such persons are present or represented by proxy and vote, they shall vote together as one on the share or shares jointly held by them.

10.15 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the Corporation's articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either on a show of hands or on a ballot, the chairman of the meeting shall not be entitled to a second or casting vote.

10.16 Show of Hands

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot is demanded in accordance with section 10.17. On a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands has been taken on a question, unless a ballot is demanded in accordance with section 10.17, a declaration by the chairman of the meeting that the vote on the question, (i) has been carried, (ii) has been carried by a particular majority, or (iii) has not been carried, and an entry to that effect in the minutes of the meeting shall be *prima facie* evidence, (A) as proof of the fact of the number, or proportion of, the votes recorded in favour of, or against, any resolution or other proceeding in respect of the question, and (B) that the result of the vote so taken is the decision of the shareholders on the question.

10.17 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken, the chairman of the meeting, or any person who is present and entitled to vote on the question at the meeting, may demand a ballot. A ballot so demanded shall be taken in such manner as the chairman of the meeting shall direct. A demand for a ballot may be withdrawn at any time before the taking of the ballot. If a ballot is taken, each shareholder and proxyholder present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting on the question, to that number of votes provided by the Act or the Corporation's articles. The result of the ballot so taken shall be the decision of the shareholders on the question.

10.18 Adjournment

The chairman of a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. No notice of such adjournment need be given to the shareholders, unless the meeting is adjourned by one or more adjournments for an aggregate of 30 days or more, in which case, subject to the Act, notice of the adjourned meeting shall be given as for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate or more than 90 days, section 111 of the Act (concerning the mandatory solicitation of proxies) does not apply.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum of shareholders and/or proxyholders is present thereat. The shareholders and/or proxyholders who formed a quorum at the original meeting are not required to form a quorum at the adjourned meeting. If there is no quorum of shareholders and/or proxyholders present at the adjourned meeting, the original meeting shall be deemed to have terminated at its adjournment.

Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

SECTION 11
NOTICES

11.1 Method of Giving Notices

Any notice (which term in this Section 11 includes any communication or document) to be given (which term in this Section 11 includes sent, delivered or served) pursuant to the Act, the Corporation's articles, the by-laws or otherwise to a shareholder, director, officer or auditor of the Corporation shall be sufficiently given if, (i) delivered personally to such person, (ii) mailed by prepaid mail to such person at such person's recorded address, (iii) sent to such person at such person's recorded address by any means of prepaid transmitted or recorded communication, or (iv) transmitted by facsimile to such person at such person's recorded address.

A notice which is delivered personally is deemed to be given when received. A notice which is mailed is deemed to have been given on the fifth day after the notice is deposited in a post office or public letter box. A notice which is sent by means of transmitted or recorded communication is deemed to have been given when dispatched or delivered to the appropriate communications company or agency or its representative for dispatch. A notice transmitted by facsimile is deemed to have been given when the Corporation generates a facsimile confirmation slip which discloses that the notice was transmitted to a number known by the Corporation to be used by the person to whom the facsimile is transmitted.

The secretary may change, or cause to be changed, the recorded address or facsimile number of any shareholder, director, officer or auditor in accordance with any information believed by the secretary to be reliable.

A certificate of any officer, in office at the time of making the certificate, or agent of the Corporation, as to the facts in relation to the giving of any notice or the publication of any notice shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer and auditor of the Corporation.

The signature of any director or officer to any notice may be written, printed or otherwise mechanically reproduced.

11.2 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all such joint holders, but notice addressed to one of those persons shall be sufficient notice to all such persons.

11.3 Computation of Time

In computing the period of days when notice must be given under any section of this by-law requiring a specified number of days' notice of any meeting or other event, the period shall commence on the day following the sending of such notice and shall terminate at midnight of the last day of the period, except that if the last day of the period falls on a non-business day, the period shall terminate at midnight on the day next following that is not a non-business day.

11.4 Undelivered Notices

If any notice given to a shareholder pursuant to section 11.1 is returned on three consecutive occasions because the shareholder cannot be found, the Corporation shall not be required to give any further notices to that shareholder until the Corporation is informed in writing of the shareholder's new address.

11.5 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee or the non-receipt of any notice by any such person or any error in any notice not affecting the substance of the notice shall not invalidate any action taken at any meeting held pursuant to the notice, or otherwise founded thereon.

11.6 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, becomes entitled to any share, shall be bound by every notice in respect of the share which has been duly given to the shareholder from whom the person derives title to such share before that person's name and address was entered on the securities register (whether the notice was given before or after the happening of the event on which that person became so entitled) and before that person furnished the Corporation with the proof of authority or evidence of entitlement prescribed by the Act.

11.7 Waiver of Notice

Any shareholder, proxyholder, other person entitled to attend a meeting of shareholders, director, officer, auditor or member of a committee may at any time waive any notice, or waive or abridge the time for any notice, required to be given to that person under the Act, the Corporation's articles, the by-laws or otherwise. Any such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of the notice, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a meeting of shareholders, the board or a committee, which may be given in any manner.

Attendance of a director at a meeting of directors or attendance of a shareholder, proxyholder, or any other person entitled to attend a meeting of shareholders, at a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder, proxyholder or other person, as the case may be, attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

SECTION 12
EFFECTIVE DATE

12.1 Effective Date

This by-law shall come into force when made by the board in accordance with the Act.

12.2 Repeal

All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. The repeal shall not affect, (i) the previous operation of any by-law so repealed, (ii) the validity of any act done or right, privilege, obligation or liability acquired or incurred under, (iii) the validity of any contract or agreement made pursuant to, and (iv) the validity of any articles (as defined in the Act) or predecessor charter documents of the Corporation obtained pursuant to, any such by-law before its repeal. All officers and other persons acting under any by-law so repealed shall continue to act as if appointed under this by-law and all resolutions of the shareholders or the board or a committee with continuing effect passed under any repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law and until amended or repealed.

MADE by the Board on March 5, 2009.

(signed) *Eberhard Scherkus*
President
(signed) *Gregory Laing*
Secretary

CONFIRMED by the shareholders in accordance with the Act on April 30, 2009.

(signed) *Gregory Laing*
Secretary

Exhibit 4.02

Execution Version

AMENDMENT NO. 1 TO SECOND
AMENDED AND RESTATED CREDIT AGREEMENT

This Amendment No. 1 to Second Amended and Restated Credit Agreement (the " **Agreement** ") is made as of July 20, 2012 between Agnico-Eagle Mines Limited (the " **Borrower** "), the guarantors party hereto, The Bank of Nova Scotia, as Administrative Agent (as defined below), and the Lenders (as defined below) party hereto.

RECITALS:

A. Reference is made to the second amended and restated credit agreement dated as of August 4, 2011 (the " **Credit Agreement** ") between the Borrower, the guarantors party thereto, The Bank of Nova Scotia, as administrative agent (the " **Administrative Agent** ") and joint lead arranger, The Toronto-Dominion Bank, as joint lead arranger, and each bank and financial institution party thereto, as lenders (the " **Lenders** ").

B. The Borrower has requested certain amendments to the Credit Agreement as set forth herein.

C. The Lenders hereto have agreed to so amend the Credit Agreement on the terms and conditions set forth herein.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agree as follows:

1. DEFINITIONS.

All capitalized terms used herein which are not defined herein shall have the respective meanings given to them in the Credit Agreement.

2. AMENDMENTS.

(a) The reference to "June 22, 2016" in the definition of Maturity Date in Section 1.1.130 of the Credit Agreement is amended to "June 22, 2017".

(b) The following definition is added to the Credit Agreement as Section 1.1.138A, immediately after Section 1.1.138 of the Credit Agreement:

" **Note Purchase Agreement (2012)** " means the note purchase agreement to be entered into by the Borrower with the purchasers party thereto on or about July 24, 2012, in substantially the same form as the draft provided by the Borrower to the Agent on July 20, 2012;

(c) The following definition is added to the Credit Agreement as Section 1.1.139A, immediately after Section 1.1.139 of the Credit Agreement:

" **Notes (2012)** " means notes issued pursuant to the Note Purchase Agreement (2012);

(d) Section 1.1.152.13 of the Credit Agreement is deleted in its entirety and replaced as follows:

all indebtedness, liabilities and obligations of the Borrower and its Subsidiaries under and in respect of the Note Purchase Agreement, the Notes, the Note Purchase Agreement (2012) and the Notes (2012);

(e) Section 1.7 of the Credit Agreement is deleted in its entirety and replaced as follows:

Upon the effectiveness of Amendment No. 1 to Second Amended and Restated Credit Agreement dated as of July 20, 2012 between the parties to this Agreement, The Bank of Nova Scotia hereby irrevocably sells and assigns to each of the Increasing Lenders (as defined below), and each of the Increasing Lenders hereby irrevocably purchases and assumes from The Bank of Nova Scotia, a portion of the rights and obligations of The Bank of Nova Scotia as "Lender" under this Agreement, including its interests in the outstanding "Advances" under this Agreement, as necessary in order to reflect the Commitments set out in Exhibit A of this Agreement. The sales, assignments, purchases and assumptions shall be deemed to have been made, and consented to as required by the Borrower, the Agent, and the Lenders, on the terms of the Assignment and Assumption Agreement. For greater certainty, the assignment fee contemplated by Section 18.2.2.5 shall not apply to the assignments contemplated by this Section 1.7. For purposes of this Section 1.7, the " **Increasing Lenders** " shall mean Bank of Montreal, Royal Bank of Canada, Canadian Imperial Bank of Commerce, Bank of America, N.A., Canada Branch, Barclays Bank PLC and Commonwealth Bank of Australia.

(f) The pricing grid in Section 2.7.1 of the Credit Agreement is deleted in its entirety and replaced as follows:

Total Net Debt to EBITDA Ratio	**Libor / Stamping Fees/ Letter of Credit Fee**	**Base Rate or Prime Rate**	**Standby Fee**
<1.00:1	1.50%	0.50%	0.3375%
≥ 1.00:1 and < 1.50:1	1.75%	0.75%	0.39375%
≥ 1.50:1 and < 2.00:1	2.00%	1.00%	0.45%
≥ 2.00:1 and < 2.50:1	2.25%	1.25%	0.50625%
≥ 2.50:1	2.75%	1.75%	0.61875%

(g) Section 8.1.1 of the Credit Agreement is deleted in its entirety and replaced as follows:

The Borrower covenants and agrees that at all times the Obligors will account for at least (x) 85% of the consolidated total assets of the Borrower and its Subsidiaries as of the last day of the most recently ended quarterly or annual fiscal period of the Borrower (such last day, the " **Test Date** ") and (y) 85% of the consolidated total revenues of the Borrower and its Subsidiaries for the twelve-month period ending on such Test Date; provided that, (A) to the extent the application of Section 8.1.2 below renders compliance with this Section 8.1.1 impossible, this Section 8.1.1 will be deemed to be satisfied if each of the Borrower's Subsidiaries not subject to the prohibitions in Section 8.1.2 below provides a Guarantee , and (B) if on any Test Date the Borrower determines that the Borrower and its Subsidiaries do not meet the above-referenced consolidated total assets and consolidated total revenues thresholds and subclause (A) above does not apply, the Borrower shall promptly notify the Agent that further Guarantees from the Subsidiaries are required to meet the above-referenced consolidated total assets and consolidated total revenues thresholds and within 30 days of the delivery of such notice, cause such of its Subsidiaries to provide a Guarantee, together with all other items contemplated by Sections 12.16 and 12.17 which relate to such Subsidiary (without regard to the concluding proviso of Section 12.16), as is necessary for the Borrower to meet the above-referenced consolidated total assets and consolidated total revenues thresholds.

(h) Section 14.1 of the Credit Agreement is deleted in its entirety and replaced as follows:

Incur, assume or permit to exist any Debt other than Permitted Debt. No Subsidiary of the Borrower shall guarantee, or otherwise enter into any arrangement to assure the payment or performance of, any obligations of any Obligor (other than itself, as applicable) to any Other Derivative Counterparty, and the Borrower shall not guarantee, or otherwise enter into any arrangement to assure the payment or performance of, any obligations of any other Obligor to any Other Derivative Counterparty. Notwithstanding the foregoing, Agnico-Eagle Mines Mexico Cooperatie U.A. shall not incur, assume or permit to exist any Debt other than Debt incurred by it under this Agreement, under its Guarantee, from another Obligor, under guarantees granted to Lenders or Affiliates of Lenders of the obligations under Derivative Instruments entered into between any Obligor and any Lender or any Affiliate of any Lender, and under a guarantee by it of the obligations of the Borrower under the Note Purchase Agreement, the Notes, the Note Purchase Agreement (2012) and the Notes (2012); and Agnico-Eagle Mines Sweden Cooperatie U.A. shall not incur, assume or permit to exist any Debt other than Debt incurred by it under this Agreement, under its Guarantee, from another Obligor, under guarantees granted to Lenders or Affiliates of Lenders of the obligations under Derivative Instruments entered into between any Obligor and any Lender or any Affiliate of any Lender, and under a guarantee by it of the obligations of the Borrower under the Note Purchase Agreement, the Notes, the Note Purchase Agreement (2012) and the Notes (2012).

(i) Exhibit A of the Credit Agreement is deleted in its entirety and replaced with Exhibit A hereto.

3. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lenders to enter into this Agreement, the Borrower represents and warrants as follows:

(a) the representations and warranties of the Obligors contained in the Credit Agreement and the other Loan Documents, other than those expressly stated to be made as of a specific other date or otherwise expressly modified in accordance with Section 10.17 of the Credit Agreement, are true and correct in all material respects on the date hereof; and

(b) no Default or Event of Default shall have occurred and be continuing.

Each representation and warranty made in this Agreement shall survive the execution and delivery of this Agreement.

4. CONFIRMATION.

Except as specifically provided herein, nothing herein waives, amends or otherwise alters the Credit Agreement, the other Loan Documents or the rights and remedies of the Agent and the Lenders thereunder or under Applicable Law, all of which rights and remedies remain in full force and effect. The amendments referred to herein apply only to the specific subject matter hereof, and nothing herein shall constitute an amendment or waiver of, consent to, or shall in any manner affect any of the rights and remedies of the Agent and the Lenders with respect to any other matter.

Without limiting the foregoing, by its signature below, each Guarantor:

(a) acknowledges, consents and agrees to the amendments to the Credit Agreement constituted hereby;

(b) reaffirms its guarantee of the Guaranteed Obligations as defined in and pursuant to the Guarantee granted by it to the Agent, on behalf of the Supported Parties;

(c) represents and warrants that such Guarantee continues to be a legal, valid and binding obligation of such Guarantor, enforceable against it in accordance with its terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity);

(d) confirms that such Guarantee is and shall continue to be in full force and effect and the same is hereby ratified and confirmed in all respects, except that all references in the Loan Documents to the "Credit Agreement", "Loan Documents", "thereunder", "thereof", or words of similar import, shall mean the Credit Agreement and the other Loan Documents, as the case may be, in each case after giving effect to the amendments constituted hereby; and

(e) acknowledges and agrees that the acceptance by or delivery to the Agent and the Lenders of this Agreement shall not be construed in any manner to establish (or indicate) any course of dealing on the Agent's or any Lender's part, including the providing of any notice or the requesting of any acknowledgment not otherwise expressly provided for in any Loan Document with respect to any future amendment, waiver, supplement or other modification to any Loan Document or any arrangement contemplated by any Loan Document.

5. AGNICO-EAGLE (BARBADOS) LIMITED — JOINDER AGREEMENT.

The amendments to the Credit Agreement set out herein shall not become effective until Agnico-Eagle (Barbados) Limited has executed and delivered a joinder agreement, whereby Agnico-Eagle (Barbados) Limited agrees to be a party to this Agreement as if an original signatory hereto and to be bound by all obligations applicable to it as an Obligor hereunder (and, upon such execution and delivery, Agnico-Eagle (Barbados) Limited shall be deemed to be a party hereto). The Borrower shall cause such joinder agreement executed and delivered by Agnico-Eagle (Barbados) Limited to be duly notarized under Applicable Law of Barbados within sixty (60) days of the date hereof.

6. MISCELLANEOUS.

(a) The Credit Agreement and the Loan Documents shall be read and construed throughout so as to incorporate the provisions of this Agreement.

(b) This Agreement may be signed in counterparts and transmitted by facsimile or "PDF", each of which shall be considered an original and all of such counterparts taken together shall constitute one and the same agreement.

(c) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

(d) The parties hereto shall from time to time do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this Agreement.

(e) This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns, and shall enure to the benefit of the parties hereto and their respective successors and permitted assign.

(f) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[execution pages follow]

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

THE BANK OF NOVA SCOTIA,
as Administrative Agent

By: *(Signed) Robert Boomhour*
Name: Robert Boomhour
Title: Director

By: *(Signed) Clement Yu*
Name: Clement Yu
Title: Associate

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

THE BANK OF NOVA SCOTIA,
as Lender

By: *(Signed) Ray Clarke*
Name: Ray Clarke
Title: Managing Director

By: *(Signed) Ian Stephenson*
Name: Ian Stephenson
Title: Director

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

THE TORONTO-DOMINION BANK

By: *(Signed) Liza Straker*
Name: Liza Straker
Title: Vice President

By: *(Signed) Matt Hendel*
Name: Matt Hendel
Title: Managing Director

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

BANK OF MONTREAL

By: *(Signed) R. Wright*
Name: R. Wright
Title: Director

By: _____
Name:
Title:

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

ROYAL BANK OF CANADA

By: *(Signed) Strati Georgopoulos*
Name: Strati Georgopoulos
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

CANADIAN IMPERIAL BANK OF COMMERCE

By: *(Signed) Peter Rawlins*
Name: Peter Rawlins
Title: Executive Director

By: *(Signed) Deepak Dave*
Name: Deepak Dave
Title: Director

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

EXPORT DEVELOPMENT CANADA

By: *(Signed) Talal M. Kairouz*
Name: Talal M. Kairouz
Title: Senior Asset Manager

By: *(Signed) Christopher Wilson*
Name: Christopher Wilson
Title: Asset Manager

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

BANK OF AMERICA, N.A., CANADA BRANCH

By: *(Signed) James K.G. Campbell*
Name: James K.G. Campbell
Title: Director

By: _____
Name:
Title:

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

COMMONWEALTH BANK OF AUSTRALIA

By: *(Signed) Greg Carone*
Name: Greg Carone
Title: Head of Natural Resources — Americas

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

BARCLAYS BANK PLC

By: *(Signed) Diane Rolfe*
Name: Diane Rolfe
Title: Director

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

NATIONAL BANK OF CANADA

By: *(Signed) Alain Aubin*
Name: Alain Aubin
Title: Director

By: *(Signed) Dominic Albanese*
Name: Dominic Albanese
Title: Director

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

HSBC BANK CANADA

By: *(Signed) Ambar Bansal*
Name: Ambar Bansal
Title: Vice-President, Regional Head of Corporate HSBC Bank Canada

By: *(Signed) Lyndsay Thompson*
Name: Lyndsay Thompson
Title: Global Relationship Manager, Corporate Banking

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

CITIBANK, N.A., CANADIAN BRANCH

By: *(Signed) Ashwin Natarajan*
Name: Ashwin Natarajan
Title: Authorized Signatory

By: _____
Name:
Title:

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

AGNICO-EAGLE MINES LIMITED

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

1715495 ONTARIO INC.

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

1641315 ONTARIO INC.

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

AGNICO-EAGLE SWEDEN AB

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

AGNICO-EAGLE FINLAND OY

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

AGNICO EAGLE MÉXICO, S.A. DE C.V.

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

TENEDORA AGNICO EAGLE M É XICO, S.A. DE C.V.

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

AGNICO-EAGLE MINES MEXICO COOPERATIE U.A.

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

AGNICO-EAGLE MINES SWEDEN COOPERATIE U.A.

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

GRAYD RESOURCE CORPORATION

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

RESOURCE GRAYD DE MEXICO, S.A. DE C.V.

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

9237-4925 QUÉBEC INC.

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

IN WITNESS WHEREOF each of the undersigned has caused this Amendment No. 1 to Second Amended and Restated Credit Agreement to be executed by its duly authorized officer(s), director(s) and/or signatory(ies) as of the date first written above.

AGNICO-EAGLE (USA) LIMITED

By: *(Signed) Picklu Datta*
Name: Picklu Datta
Title: Authorized Signatory

By: _____
Name:
Title:

EXHIBIT A

COMMITMENTS

Lender		Commitment
The Bank of Nova Scotia	$	210,000,000
The Toronto-Dominion Bank	$	185,000,000
Bank of Montreal	$	125,000,000
Royal Bank of Canada	$	125,000,000
Canadian Imperial Bank of Commerce	$	125,000,000
Bank of America, N.A., Canada Branch	$	70,000,000
Commonwealth Bank of Australia	$	70,000,000
Barclays Bank PLC	$	70,000,000
Export Development Canada	$	65,000,000
National Bank of Canada	$	65,000,000
HSBC Bank Canada	$	45,000,000
Citibank, N.A. Canadian Branch	$	45,000,000

Exhibit 4.03

AGNICO-EAGLE MINES LIMITED

AMENDED AND RESTATED EMPLOYEE STOCK OPTION PLAN

1. Purpose

The Purpose of this stock option plan ("Plan") is to encourage ownership of common shares (the "Shares") of Agnico-Eagle Mines Limited (the "Corporation") by directors, officers, employees and service providers being those persons who are primarily responsible for the management and profitable growth of the Corporation's business, by providing additional incentive for superior performance by such persons and to enable the Corporation to attract and retain valued directors, officers, employees and service providers.

2. Interpretation

For the purpose of this Plan, the following terms shall have the following meanings:

" **Black Out Period** " means any period during which a policy of the Corporation prevents an insider of the Corporation from trading in the Shares;

" **Committee** " means the Compensation Committee appointed by the Board of Directors of the Corporation;

" **Consultant** " means an individual (including an individual whose services are contracted through a personal holding corporation) engaged to provide ongoing management or consulting services for the Corporation or a subsidiary of the Corporation;

" **Eligible Assignee** " means, in respect of any Eligible Person, such person's Spouse, minor children and minor grandchildren, a trust governed by a registered retirement savings plan of an Eligible Person, an Eligible Corporation or an Eligible Family Trust;

" **Eligible Corporation** " means a corporation controlled by an Eligible Person and of which all other shareholders are Eligible Assignees;

" **Eligible Family Trust** " means a trust of which the Eligible Person is a trustee and of which all beneficiaries are Eligible Assignees;

" **Eligible Person** " means, subject to all applicable laws, any employee, officer, director of or Consultant to the Corporation or any subsidiary of the Corporation;

" **Market Price** " shall have the following meaning:

(a) " **Market Price** ", in respect of options to be granted with an Exercise Price denominated in Canadian dollars, shall mean, at any date, the closing sale price for board lots of the Shares on the TSX on such day. If the Shares did not trade on the TSX on such day, Market Price shall be the closing sale price for board lots of the Shares on the NYSE on such day converted into Canadian dollars at the rate at which United States dollars may be exchanged into Canadian dollars using the inverse Noon Buying Rate. If the Shares did not trade on the TSX or NYSE on such day, Market Price shall be the closing sale price for board lots of the Shares on such stock exchange in Canada on which the Shares are listed on such day as may be selected by the Committee for such purpose. If the

Shares do not trade on such day on any such stock exchange, the Market Price shall be the average of the bid and ask prices for board lots of the Shares at the close of trading on the TSX on such date; or

(b) " **Market Price** ", in respect of options to be granted with an Exercise Price denominated in United States dollars, shall mean, at any date, the closing sale price for board lots of the Shares on the NYSE on such day. If the Shares did not trade on the NYSE on such day, Market Price shall be the closing sale price for board lots of the Shares on the TSX on such day converted into United States dollars at the rate at which Canadian dollars may be exchanged into United States dollars using the Noon Buying Rate. If the Shares do not trade on such day on either such stock exchange, the Market Price shall be the average of the bid and ask prices for board lots of the Shares at the close of trading on the NYSE on such day.

If such Shares are not listed and posted for trading on any stock exchange, the Market Price in respect thereof shall be the fair market value of such Shares as determined by the Committee in its sole discretion;

" **Non-Management Eligible Person** " shall have the meaning ascribed thereto in section 8;

" **Noon Buying Rate** " means the noon buying rate in the City of New York for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York, or, in the event such rate is not quoted or published by the Federal Reserve Bank of New York, shall be the exchange rate determined by reference to such other publicly available service for displaying exchange rates as may be determined by the Committee;

" **NYSE** " means the New York Stock Exchange;

" **OBCA** " means the *Business Corporations Act* (Ontario), as amended from time to time;

" **Outstanding Issue** " means the number of Shares outstanding on a non-diluted basis;

" **Spouse** " shall have the meaning given to it in the *Income Tax Act* (Canada);

" **subsidiary** " shall have the meaning given to it in the *Securities Act* (Ontario); and

" **TSX** " means The Toronto Stock Exchange.

3. Administration

The Plan shall be administered by the Committee, which shall consist of not fewer than three directors of the Corporation. Vacancies on the Committee, howsoever caused, shall be filed by the Board of Directors of the Corporation. The Committee shall have full authority to interpret the Plan and to make any such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management. The decisions of the Committee shall be binding and conclusive for all purposes and upon all persons.

4. Number of Shares Reserved

The maximum number of Shares which may be reserved for issuance under the Plan shall be 25,800,000 Shares, subject to adjustment in accordance with section 10 which number may only be

increased with the approval of the shareholders of the Corporation. The maximum number of Shares which may be reserved for issuance to any one person pursuant to options (under the Plan or otherwise), warrants, share purchase plans or other compensation arrangements shall:

(a) not exceed 5% of the Outstanding Issue. Any Shares subject to an option granted under the Plan which for any reason is cancelled or terminated without having been exercised shall again be available to be granted under the Plan. All Shares issued pursuant to the exercise of options granted under the Plan will be so issued as fully paid common shares of the Corporation;

(b) notwithstanding section 4(a),

(i) the maximum number of Shares which may be reserved for issuance to non-executive directors of the Corporation pursuant to options (under the Plan or otherwise), warrants, share purchase plans or other compensation arrangements, at any time, cannot exceed 1% of the Outstanding Issue; and

(ii) the maximum number of Shares which may be reserved for issuance to any one non-executive director pursuant to options (under the Plan or otherwise), warrants, share purchase plans or other compensation arrangements cannot exceed an annual equity award value of $100,000 per such non-executive director; and

(c) notwithstanding section 4(a),

(i) the number of Shares which may be issuable to insiders of the Corporation pursuant to options (under the Plan or otherwise), warrants, share purchase plans or other compensation arrangements, at any time, cannot exceed 10% of Outstanding Issue; and

(ii) the number of Shares issued to insiders of the Corporation pursuant to options (under the Plan or otherwise), warrants, share purchase plans or other compensation arrangements, within any one year period, cannot exceed 10% of the Outstanding Issue.

5. Expiry Date

Options granted under the Plan must expire not later than five years after the date the option was granted. Each option shall be subject to earlier termination as provided in paragraph 7(d) of the Plan.

6. Participation

Options shall be granted under the Plan only to Eligible Persons as shall be designated from time to time by the Committee, Eligible Corporations and Eligible Family Trusts and shall be subject to the rules and regulations of any stock exchange upon which the Shares are listed for trading.

7. Terms and Conditions of Options

The terms and conditions of options granted under the Plan shall be set forth in written option agreements between the Corporation and the optionees. Such terms and conditions shall include the

following and such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Committee:

(a) **Exercise Price:** The exercise price of an option granted under the Plan shall be fixed by the Committee which price shall not be less than the Market Price of the Shares on the trading day immediately preceding the date of the grant. The Committee may also determine that the exercise price per Share may escalate at a specified rate dependent upon the year in which any option to purchase Shares may be exercised by the optionee.

(b) **Payment:** The full purchase price of Shares purchased under the option shall be paid in cash upon the exercise thereof in the currency in which the Exercise Price is denominated. A holder of an option shall have none of the rights of a shareholder until the Shares are issued to him or her.

(c) **Exercise of Options:** The Committee may determine when an option will become exercisable and may determine that the option shall be exercisable in installments on such terms as to timing of vesting or otherwise as the Committee deems advisable provided that options granted under the Plan shall vest not more quickly than, in equal installments (computed in each case to the nearest full share), on each of the date of grant of the Option and each anniversary of the date of grant of the Option up to and including the second last anniversary date of the grant. Except as provided in paragraph 7(d) hereof, no option may be exercised unless that optionee is then an Eligible Person. The Plan shall not confer upon the optionee any right with respect to continuation of employment by the Corporation.

(d) **Termination of Options:** Any option granted pursuant hereto, to the extent not validly exercised, will terminate on the earliest of the following dates:

(i) the date of expiration specified in the option agreement, being not later than five years after the date the option was granted;

(ii) subject to subparagraph (d)(iv) below, 30 days after the date an optionee ceases to be an Eligible Person for any reason whatsoever other than death;

(iii) twelve months after the date of the optionee's death during which period the option may be exercised only by the optionee's legal representative or the person or persons to whom the deceased optionee's rights under the option shall pass by will or the applicable laws of descent and distribution, and only to the extent that the optionee would have been entitled to exercise it at the time of his death; and

(iv) where the optionee is a director of the Corporation and ceases to be an Eligible Person by reason of his or her retirement or resignation from the Board of Directors of the Corporation, four years from the date of such retirement or resignation, subject to any resolution that may be passed by the Board of Directors of the Corporation on the recommendation of the Committee shortening such term, and provided that in no event shall any option granted pursuant hereto expire later than five years after the date the option was granted.

(e) **Assignment to Eligible Assignees:** Subject to obtaining approval in advance from the Corporation and from each stock exchange on which shares of the Corporation are listed and which reserves the right to approve such assignments, Eligible Persons may assign

options granted to them under the Plan to Eligible Assignees and Eligible Assignees may, in turn, assign such options to other Eligible Assignees or the original optionee. The original optionee under the Plan must be an Eligible Person at the time of the assignment. Notwithstanding any such assignment, all options granted under the Plan shall be deemed to be the option of the original optionee for the purposes of applying the rules and policies of the stock exchanges on which shares of the Corporation are listed. No consideration may be given to any assignee in connection with any assignment of options granted under the Plan. Subject to the foregoing, no options shall be transferable by the optionee other than by will or the laws of descent and distribution and shall be exercisable during the optionee's lifetime only by him or her.

(f) **Applicable Laws or Regulations:** The Corporation's obligation to sell and deliver Shares under each option is subject to the compliance by the Corporation and any optionee with applicable securities laws and the requirements of regulatory authorities having jurisdiction and is also subject to the acceptance for listing of the Shares which may be issued in exercise thereof by each stock exchange upon which Shares of the Corporation are listed for trading.

(g) **Maximum Number of Options Granted Per Fiscal Year:** The maximum number of options which may be granted under the Plan in any fiscal year of the Corporation may not exceed 2% of the Outstanding Issue immediately prior to the grant of such options.

8. Loans to Non-Management Eligible Persons

Subject to Section 20 of the OBCA or any successor or similar legislation and other applicable laws, the Corporation may, at any time and from time to time, lend money (on a non-recourse or limited recourse basis or otherwise) or provide guarantees or other support arrangements to assist an Eligible Person who is not a director or officer of the Corporation (a "Non-Management Eligible Person") to fund all or a part of the purchase price for Shares being purchased pursuant to an option granted to a Non-Management Eligible Person under the Plan on such terms and conditions as the Corporation may determine, provided that each loan made to such Non-Management Eligible Person shall become due and payable in full on the date a Non-Management Eligible Person becomes a director or officer of the Corporation.

9. Compulsory Acquisition or Going Private Transaction

If and whenever there shall be a compulsory acquisition of the Shares of the Corporation following a takeover bid or issuer bid pursuant to Part XV of the OBCA or any successor or similar legislation, then following the date upon which the takeover bid or issuer bid expires, an optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such optionee was theretofore entitled to purchase upon the exercise of his or her options, the aggregate amount of cash, shares, other securities or other property which such optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to this bidder.

10. Certain Adjustments

In the event:

(a) of any change in the Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;

(b) of any stock dividend to holders of Shares;

(c) that any rights are granted to all holders of Shares to purchase Shares at prices substantially below fair market value;

(d) of any distribution of evidences of indebtedness or assets of the Corporation (excluding dividends paid in the ordinary course) to all holders of Shares; or

(e) that as a result of any recapitalization, merger, consolidation or otherwise, the Shares are converted into or exchangeable for any other securities;

then in any such case, subject to prior approval of the relevant stock exchanges, the number or kind of shares reserved for issuance and available for options under the Plan, the number or kind of shares subject to outstanding options and the exercise price per option shall be proportionally adjusted by the Committee to prevent substantial dilution or enlargement of the rights granted to, or available for, holders of options as compared to holders of Shares.

11. Black Out Period

Notwithstanding anything contained in the Plan or any option issued under the Plan, if the date on which an option expires occurs during, or within 10 days after the last day of a Black Out Period or other trading restriction imposed by the Corporation, in each case, that is applicable to the holder of the option, the date of termination or expiry of such option will be the last day of that 10-day period.

12. Amendment and Discontinuance of Plan

(a) The Board of Directors of the Corporation may, insofar as permitted by law and subject to any required approval of any stock exchange or other authority, from time to time, without notice to or approval of the shareholders, amend or revise the terms of the Plan or discontinue the Plan at any time; provided, however, that no amendment or revisions may, without the consent of the optionee, in any manner adversely affect the rights of the optionee under any option theretofore granted under the Plan. Examples of the types of amendments that the Board of Directors of the Corporation may make without shareholder approval include, with limitation, the following:

(i) amendments of a “housekeeping” nature, including any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision hereof;

(ii) amendments necessary to comply with applicable law, including, without limitation, the rules, regulations and policies of the TSX;

(iii) amendments respecting administration of the Plan;

(iv) any amendment to the vesting provisions of the Plan or any option issued under the Plan which does not entail an extension beyond the originally scheduled expiry date for any such option;

(v) any amendment to the early termination provisions of the Plan or any option issued under the plan, whether or not such option is held by an insider, provided

such amendment does not entail an extension beyond the originally scheduled expiry date for any such option;

(vi) the addition or modification of a cashless exercise feature, payable in cash or common shares of the Corporation, which provides for a full deduction of the number of underlying common shares from the Plan reserve;

(vii) amendments necessary to suspend or terminate the Plan; or

(viii) any other amendment, whether fundamental or otherwise, not described in this subsection

(b) Notwithstanding subsection (a), without approval of the shareholders, no amendment or revision shall:

(i) increase the maximum number of Shares reserved for issuance under the Plan;

(ii) reduce the exercise price for any option;

(iii) extend the term of an option;

(iv) increase any limit on grants of options to insiders of the Corporation set out in the Plan;

(v) amend section 7(e) or the definitions of “Eligible Assignee”, “Eligible Corporation”, “Eligible Family Trust” or “Eligible Person”;

(vi) amend the participation limits in section 4(b); or

(vii) grant additional powers to the Board of Directors of the Corporation to amend the Plan or entitlements without the approval of shareholders.

AMENDED AND RESTATED
INCENTIVE SHARE PURCHASE PLAN

PART 1 — INTRODUCTION

1.1 PURPOSE: The purpose of this incentive share purchase plan (the "Plan") is to encourage equity participation in Agnico-Eagle Mines Limited by its directors, officers and employees through the purchase of common shares of Agnico-Eagle Mines Limited (the "Shares").

As used herein, unless the context otherwise requires, the term "Company" refers collectively to Agnico-Eagle Mines Limited and its subsidiary companies.

PART 2 — PURCHASE PLAN

2.1 PARTICIPATION: Subject to Sections 2.10 to 2.12 and applicable laws, all directors of the Company, excluding non-executive directors, and all officers and full-time employees of the Company who have been continuously employed by the Company for at least 12 consecutive months are eligible to participate in the Plan (such persons are referred to herein as "Participants"). The Committee (defined in Section 3.7 hereof) shall have the right, in its absolute discretion, to waive such 12 month period or refuse any person or group of persons the right of participation or continued participation in the Plan.

2.2 ELECTION TO PARTICIPATE AND PARTICIPANT'S CONTRIBUTION: A Participant may elect to participate in the Plan during a calendar year (a "Plan Year") by delivering to the Company not later than December 10 of the preceding calendar year (the "Enrolment Date") a written direction in the form attached hereto as Appendix "A". If the Plan's payroll deduction feature is selected, such form will authorize the Company to deduct an amount from the Participant's basic annual salary from the Company, before deductions and exclusive of any overtime pay, bonuses or allowances of any kind whatsoever (the "Basic Annual Salary"), in 12 equal instalments. Alternatively, a Participant may elect to make contributions to the Plan on a quarterly basis in four equal instalments by cheque payable to the Company. The amounts so deducted by or paid to the Company (the "Participant's Contribution") will be applied to the purchase of Shares pursuant to the Plan and shall be held by the Company in trust for the purposes of the Plan.

Except in the case of Participants who are directors of the Company, the Participant's Contribution during a Plan Year shall not exceed 10% of the Participant's Basic Annual Salary for the calendar year in which the Enrolment Date falls. The Participant's Contribution during a Plan Year of any director of the Company electing to participate in the Plan shall not exceed such director's annual board and committee retainer fees for the calendar year in which the Enrolment Date falls. No adjustment shall be made to the Participant's Contribution until the following Enrolment Date and then only if a new written direction has been delivered to the Company.

2.3 PARTICIPANT'S CONTRIBUTION — ALTERNATE ARRANGEMENTS: Plan participation by payroll deduction is not available to Participants who are full-time employees on short-term or long-term disability, workers' compensation or parental leave. For such Participants, payment of their Participant's Contribution will be accepted by cheque, subject to the satisfaction of all other requirements of the Plan.

The failure by a Participant to make any required contributions under the terms of the Plan shall, at the option of the Company, be deemed to be a cancellation of such Participant's election to participate in the Plan. The deemed cancellation will be effective at the close of business on the last business day of the month in which the deemed cancellation occurs. The defaulting Participant will be notified of such cancellation by notice in writing mailed to such Participant and any Participant's Contribution held by the Company in trust for such Participant shall be returned to the defaulting Participant. No Shares will be issuable to a Participant where his or her Participant's Contribution has not been made in accordance with the terms of the Plan.

2.4 COMPANY'S CONTRIBUTION: Immediately prior to the date any Shares are issued to a Participant in accordance with Section 2.6 hereof, the Company will credit the Participant with and thereafter hold in trust for the Participant an amount (the "Company's Contribution") equal to no more than 50% of the Participant's Contribution then held in trust by the Company.

2.5 AGGREGATE CONTRIBUTION: The Participant's Contribution plus the Company's Contribution shall be the "Aggregate Contribution". The Company shall not be required to segregate the Participant's Contribution or the Aggregate Contribution from its own corporate funds or to pay interest thereon to any Participant.

2.6 ISSUE OF SHARES: On March 31, June 30, September 30 and December 31 in each Plan Year, or if any such day is not a business day, then on the preceding business day (each, an "Issue Date"), the Company will issue to each Participant fully paid and non-assessable Shares equal, as nearly as possible, in value to the Aggregate Contribution held in trust on such date by the Company for each such Participant converted into Shares at the Market Price (as defined below) on such Issue Dates. If such conversion would otherwise result in the issue to a Participant of a fraction of a Share, the Company will issue only such number of whole Shares as may be purchased with such Aggregate Contribution. Until the Shares are issued, Participants shall have none of the rights or obligations of a shareholder with respect to such Shares.

In this Section 2.6, "Market Price" on any Issue Date shall be the simple average of the high and low trading prices of the Shares on The Toronto Stock Exchange (the "TSX") for each of the five trading days immediately prior to such Issue Date (a "Pricing Period"). If the Shares did not trade on the TSX during the Pricing Period, Market Price shall be the simple average of the high and low trading prices of the Shares on the New York Stock Exchange (the "NYSE") during such Pricing Period converted into Canadian dollars at the rate at which United States dollars may be exchanged into Canadian dollars using the inverse Noon Buying Rate. If the Shares did not trade on the TSX or NYSE during the Pricing Period, Market Price shall be the simple average of the high and low trading prices of the Shares on such stock exchange in Canada on which the Shares are listed during such Pricing Period as may be selected by the Committee for such purpose. If the Shares do not trade on such day on any such stock exchange, the Market Price shall be the simple average of the bid and ask prices of the Shares on the TSX during such Pricing Period.

The Company shall hold any unused balance of the Aggregate Contribution in trust for a Participant until such balance is utilized in accordance with the Plan.

2.7 RECORD OF PURCHASE: Within two months after each Issue Date, each Participant shall be furnished with a record of the Shares purchased on such Issue Date, the applicable Market Price and the balance remaining in his or her account, together with a certificate representing the Shares issued to and registered in the name of the Participant.

2.8 WITHDRAWAL FROM THE PLAN: In the event that a Participant ceases to be eligible for participation in the Plan by virtue of the termination of his or her relationship with the Company for any reason, whether voluntary or involuntary, or in the event of the death of the Participant while participating in the Plan, no further purchases of Shares will be made and the Participant's Contribution then held by the Company for the Participant shall be paid to the Participant or his or her estate or otherwise as directed by a court of competent jurisdiction, as the case may be, and the Company's Contribution then held in trust for the Participant shall be paid to the Company. A Participant shall not be entitled to withdraw from the Plan under any other circumstances during the Plan Year for which he or she has elected to participate.

2.9 TERMINATION OF THE PLAN: Termination of the Plan shall not affect the rights of the Participant's to the Shares purchased by them pursuant to the Plan. In the event of termination of the Plan, the Company shall pay to each Participant the Participant's Contribution then held in trust by the Company for such Participant.

2.10 LOANS TO NON-MANAGEMENT PARTICIPANTS: If a Participant who is not a director or officer of the Company (a "Non-Management Participant") desires to obtain one or more loans from the Company in order to assist him or her to pay the purchase price of any Shares acquired under the Plan, he or she may so advise the Company by request in writing and, in such event, the Committee may consider the request and, if thought fit by the Committee, cause the Company, subject to compliance with all applicable laws, to make a loan to him or her concurrently with one or more scheduled dates for payment of such Non-Management Participant's Contribution, the principal amount of any such loan will be the amount approved by the Committee.

Each loan made to a Non-Management Participant shall be evidenced by a promissory note and shall have a term not exceeding ten years from the date such loan is advanced to the Non-Management Participant. In addition, if such Non-Management Participant should cease to be an employee of the Company for any reason, whether voluntary or involuntary (including, without limitation, by reason of death, resignation, discharge, illness, disability or otherwise), each loan made to such Non-Management Participant which is then outstanding shall become due and payable in full on the date which is the earliest of:

(a) the stated maturity date of such loan as set out in the promissory note;

(b) the second anniversary of the date on which such Non-Management Participant so ceased to be an employee of the Company; and

(c) the date the Non-Management Participant becomes a director or officer of the Company.

The Committee shall have the right, in its sole discretion and at any time and from time to time, subject to regulatory approval, to change the foregoing provisions relating to the repayment of loans (save and except that the time in which any such loan must be repaid shall not exceed ten years from the date of the advance thereof). The respective terms and conditions pertaining to the repayment of loans from time to time outstanding need not be the same.

2.11 SECURITY FOR REPAYMENT OF LOANS: If a loan is made to a Non-Management Participant, such Non-Management Participant shall, concurrently with the making of each loan to him or her, create a security interest in, pledge and hypothecate to and in favour of the Company, as continuing security for the repayment of the principal amount of such loan and all interest accruing thereon and any expenses incurred by the Company described below in (c), together with any other loans made by the Company to the Non-Management Participant from time to time, all interest accruing thereon and any expenses incurred by the Company in connection therewith, all of the shares (the "Pledged Shares") purchased by him or her with part or all of the proceeds of such loan and all proceeds of such Pledged Shares. Certificates representing the Pledged Shares shall be issued to and registered in the name of the Non-Management Participant and held by the Company (or an agent of the Company as stipulated by the Committee). Certificates representing Shares or other securities issued as stock dividends in respect of the Pledged Shares shall be issued to and registered in the name of the Non-Management Participant and held by the Company (or an agent of the Company as stipulated by the Committee) and shall form part of the Pledged Shares. All certificates representing the Pledged Shares shall be accompanied by irrevocable stock transfer powers duly endorsed in blank by such Non-Management Participant in respect of the Pledged Shares represented by such certificates.

Upon payment in full of all loans and all interest due thereon, the Company shall deliver to such Non-Management Participant certificates representing the Pledged Shares.

The occurrence of either of the following events shall constitute an Event of Default under any loan: (a) a Non-Management Participant defaults in the payment of the principal amount of any loan and/or the payment of interest due thereon and such default is not cured within 10 days of the occurrence thereof:

or (b) a Non-Management Participant, or any third party in respect of such Non-Management Participant, files, institutes or commences any application, assignment, petition, proposal or proceeding under any bankruptcy, insolvency, liquidation, debt restructuring or similar law now or hereafter in effect seeking bankruptcy, liquidation or readjustment of debt or the appointment of a trustee, custodian, liquidator or similar official. Upon an Event of Default under any loan, the Company, in addition to any other legal or equitable rights it may have, shall at any time thereafter be entitled to:

(a) set off any cash dividends or other cash distributions declared and payable by the Company in respect of the Pledged Shares as against and to the extent of the outstanding principal balance of such Non-Management Participant's loan and all interest accrued thereon and the expenses described in (c) below;

(b) sell the Pledged Shares and apply the proceeds of sale to repay the outstanding principal balance of such Non-Management Participant's loan and all interest then accrued thereon and the expenses described below in (c); and

(c) retain from the proceeds of such sale all amounts necessary to pay the expenses incurred by the Company in connection with such sale and to repay the outstanding balance of the loan including all interest thereon.

If there is a sale of any Pledged Shares and the proceeds from the sale of such Pledged Shares are sufficient to repay the expenses of such sale and the outstanding principal balance of any loan and/or interest thereon, the Company shall deliver the balance, if any, of the Pledged Shares and certificates therefore, if any, and/or the balance of the proceeds of such sale, if any, as the case may be, to the Non-Management Participant. If the proceeds from the sale of any Pledged Shares are insufficient to repay the expenses of such sale and the outstanding principal balance of any loan and/or any interest accruing thereon, the Non-Management Participant shall forthwith pay to the Company the amount of the deficiency. If any Pledged Shares which otherwise would be sold by the Company pursuant to the foregoing would be an "odd lot", the Company may in its discretion sell such greater number of Pledged Shares as is necessary to effect a sale consisting of one or more "board lots".

2.12 VOTING RIGHTS AND CASH DIVIDENDS: So long as an Event of Default has not occurred: (a) each Non-Management Participant to whom any loan has been made shall have the right to exercise the votes attaching to his or her Pledged Shares; and (b) all cash dividends and other cash distributions declared and paid by the Company in respect of any Pledged Shares shall be paid to or to the order of the Non-Management Participant.

PART 3 — GENERAL

3.1 TRANSFERABILITY: All benefits and rights accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable unless specifically provided herein. During the lifetime of a Participant, all benefits and rights may only be exercised by the Participant.

3.2 EMPLOYMENT: Nothing contained in the Plan or in any benefit or right granted hereunder shall confer upon any Participant any right with respect to service or continuance of service with the Company, or interfere in any way with the right of the Company to terminate the Participant service with the Company at any time. Participation in the Plan by a Participant is voluntary.

3.3 RECORD KEEPING: The Company shall maintain a register in which shall be recorded the name and address of each Participant and all Participant's Contributions.

3.4 NECESSARY APPROVALS: The Plan, and the obligations of the Company to issue and deliver any Shares in accordance with the Plan, are subject to the approval of any regulatory authority having jurisdiction over the securities of the Company. If any Shares cannot be issued to any Participant for any reason whatsoever, the obligation of the Company to issue such Shares shall terminate and any Participant's Contribution held in trust for a Participant will be returned to the Participant.

3.5 NUMBER OF SHARES RESERVED: The maximum number of Shares which may be reserved for issuance under the Plan shall be 5,000,000 Shares, which number may only be increased with the approval of the shareholders of the Company.

3.6 ADJUSTMENTS IN EVENT OF CHANGE IN SHARES:

(a) In the event of a subdivision, consolidation or reclassification of outstanding Shares or other capital adjustment, or the payment of a stock dividend thereon, the number of Shares reserved or authorized to be reserved under the Plan shall be increased or reduced proportionately and such other adjustments shall be made as may be deemed necessary or equitable by the Committee.

(b) In the event of a change in the Company's authorized Shares which is limited to a change in the designation thereof, the shares resulting from any such change shall be deemed to be Shares under the Plan. In the event of any other changes affecting the Shares, such adjustment shall be made as may be deemed equitable by the Committee to give proper effect to such event.

3.7 PLAN ADMINISTRATION AND AMENDMENTS TO PLAN: The Plan will be administered by the Compensation Committee of the Board of Directors of the Company (the "Committee") or by any other committee of the Board of Directors or committee composed of directors and/or officers of the Company as the Board of Directors may from time to time designate, and after such designation, references to the Committee herein shall be deemed to refer to such other committee as the case may be.

The Committee shall have authority to adopt, amend or rescind rules and regulations as in its opinion may be advisable or required in the administration or operation of the Plan. The Committee shall also have authority to interpret and construe the Plan and the rules, regulations and documentation utilized under the Plan and may make any and all determinations deemed necessary or advisable for the administration of the Plan. Any interpretation or construction of any provision of the Plan or the rules, regulations or documentation utilized under the Plan shall be final, conclusive and binding on the Participants. All administrative costs of the Plan shall be paid by the Company. The senior officers of the Company are authorized and directed to do all things and execute and deliver all instruments, undertakings and applications and writings as they in their absolute discretion consider necessary for the implementation of the rules and regulations established for administering the Plan.

The Committee reserves the right to amend, modify, suspend or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Committee. Any amendment to any provision of the Plan shall also be subject to the approval of any regulatory body having jurisdiction over the securities of the Company and, if required, to any shareholder approval requirements prescribed by such regulatory body.

Notwithstanding the foregoing paragraph, amendments to the Participant's Contribution limits provided for in section 2.2, including the Participant Contribution limit of any director of the Company, shall be subject to shareholder approval.

3.8 NO REPRESENTATION OR WARRANTY: The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the Plan.

3.9 INTERPRETATION: The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Amendments approved by the Board of Directors on April 24, 2002.
Amendments approved by the Shareholders on June 21, 2002.
Amendments approved by the Board of Directors on April 23, 2003.
Amendments approved by the Board of Directors on March 5, 2008.
Amendments approved by Shareholders on May 9, 2008.
Amendments approved by the Board of Directors on March 5, 2009
Amendments approved by the Shareholders on April 30, 2009

Exhibit 4.05

The Restricted Share Unit Plan for Directors, Senior Executives and Employees of Agnico-Eagle Mines Limited

(Effective January 1, 2008)

September 2008
(as amended in December 2011; February 2013)

Agnico-Eagle Mines
Restricted Share Unit Plan

Table of Contents

SECTION 1 PURPOSES OF THE PLAN

Effective January 1, 2008 Agnico-Eagle Mines Limited (the "Company") established The Restricted Share Unit Plan for Employees of Agnico-Eagle Mines Limited (the "Plan") for the purposes of assisting in the retention of staff employees of the Company and of its subsidiary and associated companies by providing non-dilutive Company stock that rewards the individual performance of staff employees that participate in the Plan.

Effective January 1, 2012, the Plan was amended to include Directors and Senior Executives (initially, Senior Vice Presidents and above) of Agnico-Eagle Mines Limited for the purposes of providing to such persons an equity component (shares) to more closely align director and senior executive compensation to shareholder interests through the grant of non-dilutive Company stock.

Effective as of January 1, 2013, the Plan was amended to include Vice Presidents of the Company in the definition of "Senior Executives" and to make some administrative amendments.

The Plan shall be administered by the Company who may appoint a Trustee to hold funds in respect of the non-vested Restricted Share Units and an Administrator to hold vested Restricted Share Units allocated under the Plan.

SECTION 2 DEFINITIONS

In this Plan, the terms set out below have the following meanings.

2.01 ***" Administrator "*** means the Company or such person or third party entity as has been appointed by the Company to administer some or all aspects of the Plan and to hold shares purchased for Participants in accordance with the Plan.

2.02 ***" Award Date "*** means the date the Board, in its absolute and sole discretion, decides to award Restricted Share Units under the Plan.

2.03 ***" Beneficiary "*** means the person or persons designated by the Participant to receive Shares in respect of the Participant's Non-Vested RSU Account or Vested RSU Account at the date of the Participant's death.

2.04 ***" Board "*** means the Board of Directors of the Agnico-Eagle Mines Limited.

2.05 ***" Cause "*** means a termination initiated by the Participating Employer for reasons that constitute "cause" as determined under applicable decisions made by Ontario courts or by courts in the jurisdiction in which the Participant is employed and shall include without limiting the generality of the following:

(1) theft or fraud;

(2) habitual and wilful neglect of the duties and responsibilities of the Participant's position;

(3) documented incompetence; and

(4) if applicable, as may be specified in the employment agreement between the Participant and the Company

2.06 ***" Change of Control "*** means the occurrence of any of the following events:

(1) a sale or other disposition of all or substantially all of the property or assets of the Company, other than the sale or disposition of the assets of

the Company to a parent affiliated Company within the meaning of the *Securities Act* (Ontario);

(2) any change in the holding, direct or indirect, of shares in the capital of the Company as a result of which a person or group of persons acting jointly or in concert, or a person associated or affiliated with any such person or group within the meaning of the *Securities Act* (Ontario), becomes the beneficial owner, directly or indirectly, of shares and/or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders to cast more than fifty percent (50%) of the votes attaching to all shares of the Company that may be cast to elect the Board of the Company; or

(3) if applicable, as may be specified in the employment agreement between the Participant and the Company.

2.07 ***" Chief Executive Officer "*** means the person who holds the Chief Executive Officer position at Agnico-Eagle Mines Limited.

2.08 ***" Company "*** means Agnico-Eagle Mines Limited, acting through its Board or through the management of the Participating Employer in such manner as is consistent with the corporate governance structure and requirements of the Company and with applicable governing legislation.

2.09 " ***Compensation Committee*** " means the Compensation Committee of the Board as constituted from time to time.

2.10 ***"Employee Participant"*** means a staff employee of the Company who is employed by a Participating Employer on a permanent basis, who is not included for participation under the Agnico-Eagle Mines Limited Stock Option Plan.

2.11 ***"Director"*** means an independent member of the Board

2.12 ***" Constructive Termination "*** means a deemed termination of the Participant's employment with the Company as determined under applicable decisions made by Ontario courts.

2.13 ***" LTI Bonus Compensation "*** means all amounts awarded to a Participant under the Company LTI (Long Term Incentive) Plan that the Company determines to be eligible as compensation for purposes of the Plan.

2.14 ***" Non-Vested RSU Account "*** means the account established for the Participant to which Restricted Share Units or Restricted Shares are credited.

2.15 ***"Participant"*** means a Director, Senior Executive or Employee Participant

2.16 ***" Participating Employer "*** means the Company and a subsidiary or associated company designated by the Company for participation in the Plan.

2.17 ***" Plan "*** means The Restricted Share Unit Plan for Directors, Senior Executives and Employees of Agnico-Eagle Mines Limited.

2.18 ***" Restricted Share "*** shall have the meaning set out under Section 6.01 (1).

2.19 ***" Restricted Share Unit " or "RSU"*** means a right granted to a Participant to receive a cash unit to be used to purchase Shares in accordance with the Plan.

2.20 ***" RSU Grant Guidelines "*** means the procedures adopted by the Company from time to time which are reflective of: the level of awards granted to Directors as determined by the Board; the Senior Executive's performance levels and that are used by the Board, Compensation Committee and/or Chief Executive Officer to make individual Senior Executive Restricted Share Unit awards under the Plan; or the Employee Participant's performance levels and that are used by management to make individual employee Restricted Share Unit awards under the Plan.

2.21 "Senior Executives" means the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Senior Vice Presidents and the Vice Presidents of the Company, and any other officer or employee so designated by the Chief Executive Officer for inclusion in the Plan.

2.22 ***" Share "*** means a common share of the Company.

2.23 ***" Termination Date "*** means the Participant's last day of: (i) being a Director; or (ii) active employment including periods during which a Senior Executive or Employee Participant has received statutory notice of termination under the *Ontario Employment Standards Act* or other minimum labour standards legislation as is applicable to such person in his or her province, state or country of employment but excluding contractual or common law notice and severance periods that exceed minimum notice of termination periods under statutory provisions that may be applicable to such person in his or her jurisdiction of employment.

2.24 ***" Trustee "*** means the persons or entity appointed by the Company to hold the funds or Restricted Shares in respect of the Non-Vested RSU Accounts established under the Plan.

2.25 ***" Vested RSU Account "*** means the account established for the Participant to which are credited Shares transferred thereto from the Participant's Non-Vested RSU Account.

SECTION 3 ACCOUNTS

3.01 **Eligibility and Enrollment**

Each Director and Senior Executive shall have the requisite Plan accounts created for them upon becoming a Director or Senior Executive .

Each eligible full-time salaried employee of a Participating Employer shall have the requisite Plan accounts created for them upon becoming a staff employee of the Participating Employer.

3.02 **Accounts**

(1) **Non-Vested Account**

Restricted Share Units (being Restricted Shares) that are awarded to a Participant shall be credited to the Participant's Non-Vested RSU Account.

On vesting of Restricted Share Units of a Participant, the newly vested Restricted Share Units shall be debited to the Participant's Non-Vested RSU Account and credited to his Vested RSU Account.

(2) **Vested Account**

A Participant's Vested RSU Account balance shall be debited with Shares as provided under Section 5.01 of the Plan.

SECTION 4 GRANTS OF RESTRICTED SHARE UNITS

4.01 **Grants of Restricted Share Units**

(1) The Compensation Committee, in it's absolute and sole discretion, will determine the amount of LTI Bonus Compensation, if any, payable to a Director or Senior Executive taking into account such performance criteria, if any, as the Compensation Committee determines in its absolute and sole discretion.

(2) The Chief Executive Officer, in his or her absolute and sole discretion, will determine the amount of LTI Bonus Compensation, if any, payable to an Employee Participant taking into account such performance criteria, if any, as the Company determines in its absolute and sole discretion.

(3) Subject to Section 4.02, the LTI Bonus Compensation will be provided to the Participant in the form of Restricted Share Units which shall be credited to the Participant's Non-Vested RSU Account on the Award Date.

4.02 **Number of Restricted Share Units Granted**

The number of Restricted Share Units that will be credited to a Participant's Non-Vested RSU Account is determined by the Company by reference to the RSU Grant Guidelines.

The number of Restricted Share Units shall be rounded down, as the case may be, as determined by the Company.

SECTION 5 VESTING RULES

5.01 **Vesting/Access to RSUs/Taxation**

The Restricted Share Units held in the Director or Senior Executive's Non-Vested RSU Account shall vest on December 31 of the third calendar year following the year in respect of which they were granted, or such earlier date as is specified in the Plan or as is determined by the Chair of the Compensation Committee at his or her absolute and sole discretion.

The Restricted Share Units held in the Employee Participant's Non-Vested RSU Account shall vest on December 31 of the second calendar year following the year in respect of which they were granted, or such earlier date as is specified in the Plan or as is determined by the Chief Executive Officer at his or her absolute and sole discretion.

For any Employee Participant who has been hired on or after January 1, 2012, the Restricted Share Units held in such Employee Participant's Non-Vested RSU Account shall vest on December 31 of the third calendar year following the year in respect of which they were granted, or such earlier date as specified in the Plan or as determined by the Chief Executive Officer at his or her absolute and sole discretion.

While the vesting occurs on December 31, the Participant may not have access to those Vested RSUs (being Shares) until later in January of the following year due to administrative procedures (determination of tax, calculation and sale of certain RSUs to satisfy tax obligations; transfer between accounts). The Participants will be notified in January when the Vested Restricted Share Units (Shares) are available.

Upon vesting for any reason (including, without limitation, following the expiry of the grant period, potential termination without cause, death, disability, change

of control or a Directors's resignation), tax is payable under applicable taxation legislation. To comply with such obligations, tax is calculated and the requisite number of RSUs are sold to satisfy the tax payment obligations. Vested Restricted Share Units, net of those sold for tax purposes, shall then be transferred to the Participant's Vested RSU Account.(For additional taxation information, see Schedule A).

Notwithstanding the foregoing, the Chief Executive Officer (and anyone approved and designated by the Chief Executive Officer), may pay the Administrator that amount of money required to satisfy the tax obligations arising upon the vesting of their Restricted Share Units, so that none of their Restricted Share Units need to be sold to meet such tax obligations (or money may be paid to meet some portion of the tax obligation, and such number of Restricted Share Units shall then be sold to satisfy the balance of the tax obligation).

5.02 **Termination for Cause**

(1) If the Senior Executive's employment is terminated by the Company for Cause before the Senior Executive's Restricted Share Units vest, the Senior Executive shall immediately forfeit all rights, title and interest in the Restricted Share Units.

(2) If the Employee Participant's employment is terminated by the Participating Employer for Cause before the Employee Participant's Restricted Share Units vest, the Employee Participant shall immediately forfeit all rights, title and interest in the Restricted Share Units.

5.03 **Termination Without Cause**

(1) Notwithstanding Subsection 5.01, in the event that a Senior Executive's employment is terminated by the Company without Cause, the Restricted Share Units in the Senior Executive's Non-Vested RSU Account shall immediately vest on the Senior Executive's Termination Date from the

service of the Company and shall be transferred to the Senior Executive's Vested RSU Account.

(2) Notwithstanding Subsection 5.01, in the event that a Employee Participant's employment is terminated by the Participating Employer without Cause, the Restricted Share Units in the Employee Participant's Non-Vested RSU Account shall immediately vest on the Employee Participant's Termination Date from the service of the Participating Employer and shall be transferred to the Employee Participant's Vested RSU Account.

5.04 **Retirement/Resignation**

(1) Subject to the absolute and sole discretion of the Compensation Committee, in the event of the Senior Executive's retirement/resignation from the service of the Company, the Non-Vested Restricted Share Units in the Senior Executive's Non-Vested RSU Account shall immediately vest on the Senior Executive's retirement/resignation date from the service of the Company and shall be transferred to the Senior Executive's Vested RSU Account.

(2) Subject to the absolute and sole discretion of the Chief Executive Officer, in the event of the Employee Participant's retirement/resignation from the service of the Participant Employer, the Non-Vested Restricted Share Units in the Employee Participant's Non-Vested RSU Account shall immediately vest on the Employee Participant's retirement/resignation date from the service of the Participating Employer and shall be transferred to the Employee Participant's Vested RSU Account.

5.05 **Death**

In the event of the Participant's death while in the service of the Participating Employer, the Non-Vested Restricted Share Units shall immediately vest, shall be transferred to the Participant's Vested RSU Account and shall be provided to the

Participant's Beneficiary. In the event the Participant does not have a Beneficiary, such Shares shall be transferred to the Participant's estate.

5.06 **Disability**

(1) In the event that the Senior Executive becomes disabled such that he or she receives benefits under the Company's long term disability plan, the Non-Vested Restricted Share Units in the Senior Executive's Non-Vested RSU Account shall vest immediately and shall be transferred to the Senior Executive's Vested RSU Account.

(2) In the event that the Employee Participant becomes disabled such that he or she receives benefits under the Participating Employer's long term disability plan, the Non-Vested Restricted Share Units in the Employee Participant's Non-Vested RSU Account shall vest immediately and shall be transferred to the Employee Participant's Vested RSU Account.

5.07 **Change of Control**

(1) If a Senior Executive's employment with the Company terminates as a result of a Change of Control or a Constructive Termination of the Senior Executive occurs within a six month period following the Change of Control, the Restricted Share Units in the Senior Executive's Non-Vested Account shall vest immediately and shall be transferred to the Senior Executive's Vested RSU Account.

(2) If a Employee Participant's employment with the Participant Employer terminates as a result of a Change of Control or a Constructive Termination of the Employee Participant occurs within a six month period following the Change of Control, the Restricted Share Units in the Employee Participant's Non-Vested Account shall vest immediately and shall be transferred to the Employee Participant's Vested RSU Account.

5.08 **Payment of Vested Accounts**

At the request of the Participant, all or any of the Shares in the Participant's Vested RSU Account shall be sold, and the proceeds provided to the Participant, or transferred to such other account, as the Participant may designate.

5.09 **Resignation - Directors**

If a Director resigns from the Board, the Restricted Share Units in the Director's Non-Vested Account shall vest immediately and shall be transferred to the Director's Vested RSU Account, unless otherwise determined by the Board.

SECTION 6 FUNDING CONTRIBUTIONS AND GENERAL PROVISIONS

6.01 **Funding and Contributions**

(1) The Plan shall be funded by the contributions of the Participating Employers. Such contributions shall be deposited by the Company with the Trustee, within 30 days of the crediting of Restricted Share Units to the Participant's Non-Vested RSU Account, in an amount sufficient to purchase, on the open market, after payment of all fees and expenses, a number of Shares ("Restricted Shares") equal to the number of the Restricted Share Units so credited.

(2) The Restricted Shares purchased in respect of a Participant's Restricted Share Units credited to the Participant's Non-Vested RSU Account shall be held by the Trustee to the credit of the Participant but shall not vest until the Restricted Share Units so credited are credited to the Participant's Vested RSU Account.

(3) Any dividends declared on a Restricted Share, before it vests as provided under the Plan, shall be used to purchase additional Restricted Shares, as set out below.

(4) A Participant shall, from time to time during such Participant's period of participation under the Plan, receive on each dividend payment date in respect of Shares, additional Restricted Share Units, the number of which shall be equal to the quotient determined by dividing: (a) the product determined by multiplying (i) a dollar amount of the dividend declared and paid by the Company on its Shares on a per share basis (excluding stock dividends payable in Shares, but including dividends which may be

paid in cash or in shares at the option of the shareholder) (the "Dividend Amount"), by (ii) the number of Restricted Share Units recorded in the Participant's Non-Vested RSU Account on the record date for the payment of any such dividend, by (b) the closing price of the Shares on the TSX on the last trading day immediately preceding such dividend payment date.

The Dividend Amount will be fully invested and Participants will receive dividend equivalent fractions of RSUs equal to the cash amount remaining after full RSUs are purchased; accordingly, it is to be expected that the total shares in the trust account will not match the total RSUs allocated to individual Participant's Non-Vested RSU Accounts. However, upon vesting (per Subsection 6.01(5)), the Administrator (Solium) will apply the fraction amounts to taxes and only whole RSUs will be transferred to the Vested RSU Accounts.

(5) Any additional Restricted Share Units added to a Participant's Non-Vested RSU Account pursuant to Section 6.01(4) shall have the same vesting dates and expiry dates as the Restricted Share Units in respect of which such additional Restricted Share Units are added.

6.02 **Market Fluctuations**

(1) No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

(2) The Company and the Participating Employers make no representations or warranties to Participants with respect to the performance or financial characteristics of the Restricted Share Units. The value of any Restricted Share Units will fluctuate as the trading price of the Shares fluctuates.

(3) By participating in the Plan, the Participant agrees to exclusively accept any and all risks associated with a decline in the market price of the Shares and all other financial and investment risks associated with the Restricted Share Units.

6.03 **Shares Not Publicly Traded**

Should the Shares of the Company no longer be publicly traded at the time that the Market Value Award requires determination, the value of the Share shall be determined by the Board or by senior management of the Company as is determined by the Board, each acting in good faith.

6.04 **Corporate Reorganization**

The existence of any Restricted Share Units shall not affect in any way the right or power of the Company or the Participating Employer or the Company shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's or if applicable the Participating Employer's capital structure or its business, or to create or issue any bonds, debentures, shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the

Company or the Participating Employer , or any amalgamation, combination, merger or consolidation involving the Company or the Participating Employer or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

6.05 **Assignment**

(1) Except as required by law or marriage breakdown orders or agreements made between the Participant and his or her legal spouse, the rights of a Participant under the Plan are not capable of being anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

(2) Rights and obligations under the Plan may be assigned by the Company or the Participating Employer to a successor in the business of the Company or the Participating Employer any corporation resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company or the Participating Employer, or any corporation acquiring all or substantially all of the assets or business of the Company or the Participating Employer.

6.06 **Right to Employment/Board Position**

Neither participation in the Plan nor any action taken under the Plan shall give or be deemed to give any Participant a right to continued employment or seat on the Board and shall not interfere with any right of the Participating Employer to remove any Director or employee at any time.

6.07 **Shareholder Rights**

Under no circumstances shall Non-Vested Restricted Share Units entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares (other than the right to receive dividends as set out in Subsection 6.01) or other securities of the Company, nor shall any Participant:

(1) be considered the owner of (subject to Subsection 6.09), or

(2) be entitled to receive Shares by virtue of the award of Restricted Share Units, until they vest in accordance with the Plan.

6.08 **Capital Adjustments**

In the event of any distribution in the form of units, unit split, combination or exchange of units, merger, consolidation, spin-off or other distribution, other than normal distributions to Shareholders, or any other change in the Shares, the Board will make such proportionate adjustments, if any, as the Board in its sole and absolute discretion may deem appropriate to reflect such change, with respect to:

(1) the number or kind of Shares or other securities on which the Restricted Share Units are based; and

(2) the number of Restricted Share Units.

6.09 **Ownership Requirements**

The Restricted Share Units credited to the Participant's Non-Vested RSU Account and Vested RSU Account are included in assessing a Participant's ownership requirements, if any, in the Company.

6.10 **Non-Exclusivity**

Nothing contained in the Plan prevents the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

6.11 **Other Employee Benefits**

The amount of any compensation deemed to be received by a Participant as a result of the redemption of a Restricted Share Unit will not constitute compensation with respect to which any other employee benefits of that Participant are determined including, without limitation, benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Board in writing.

6.12 **Currency Requirements**

All amounts credited or paid to Canadian and certain other employees under the Plan shall be in the lawful currency of Canada or in the case of certain non-Canadian Participants amounts will be credited or paid in the lawful currency of the United States of America.

6.13 **Governing Law**

The Plan shall be governed by, and construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada as are applicable to the Plan.

6.14 **Taxes and Other Source Deductions**

The Company shall be authorized to deduct from any amount payable or credited under the Plan, such taxes and other amounts as are required by law to be deducted or withheld.

6.15 **Information**

Each Participant shall provide the Company with all information the Company and/or the Trustee requires from that Participant in order to administer the Plan.

6.16 **Indemnification**

Each member of the Board is indemnified and held harmless by the Company against any cost or expense (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the Plan to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board may have as director or otherwise under the by-laws of the Company, any agreement, any vote of shareholders, or disinterested directors, or otherwise.

6.17 **Tax Consequences**

The Participant shall be responsible for the completion of filing of any tax returns and pay all taxes that may be required under Canadian tax laws and the tax laws applicable to the Participant based on the Participant's residence and employment jurisdiction. The Participant shall be responsible for obtaining the advice of his or her tax advisor, for filing the correct returns and for the payment of such taxes as are applicable within the periods specified in the laws applicable to the Participant as a result of the Participant's participation in the Plan. The Company shall not be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

6.18 **Effective Date**

The Plan will become effective as at January 1, 2008.

6.19 **Interpretation of Plan**

Interpretation means where the context so requires, words importing the singular number include the plural and vice verse, and words importing the masculine gender include the feminine and neuter genders.

The use of headings is for ease of reference only and it does not affect the construction or interpretation of the Plan.

References to Sections and Subsections are references to sections and subsections in the Plan, unless otherwise specified.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

SECTION 7 ADMINISTRATION, AMENDMENT AND TERMINATION

7.01 **Administration**

Except for matters that are under the jurisdiction of the Board as specified under the Plan or as required by law:

(1) the Plan shall be administered by the Company, which shall have the full power to administer the Plan, including, but not limited to the authority to:

(a) interpret and construe any provision of the Plan and decide all questions of fact arising in its interpretation;

(b) adopt, amend, merge, suspend and rescind such rules and regulations for administration of the Plan as the Company may deem necessary in order to comply with the requirements of the Plan, or in order to conform to any law or regulation or to any change in any laws or regulations applicable thereto;

(c) make recommendations to the Board for the Board's consideration concerning the determination of key management in the Plan and the number of Restricted Share Units to be credited to each Participant's RSU Account;

(d) take any and all actions permitted by the Plan; and

(e) make any other determinations and take such other action in connection with the administration of the Plan that it deems necessary or advisable.

(2) All actions taken and decisions made by the Company in this regard shall be final, conclusive, and binding on all parties concerned, including, but not limited to the Participants and the Beneficiaries or estates of the Participants. The Company will be responsible for all costs relating to the

administration of the Plan. Such costs may be transferred by the Company to the Participating Employers.

(3) The administration of the Plan shall be subject to and made in conformity with all applicable laws, regulations, policies, rules, notices and administrative practices.

7.02 **Delegation**

The Company may, to the extent permitted by law, delegate any of its administrative responsibilities under the Plan and powers related thereto to one or more officers of the Company and all actions taken and decisions made by such officers in this regard shall be final, conclusive, and binding on all parties concerned, including, but not limited to the Participants and Beneficiaries or estates of the Participants and the Company directors of the Company.

The Company may also delegate its administrative responsibility in connection with the Plan to an Administrator and/or a Trustee.

7.03 **Amendment**

The Board may from time to time amend, merge or suspend the Plan in whole or in part and may at any time terminate the Plan at its absolute discretion and without prior notice to Participants. Except as otherwise provided under the Plan, no such amendment, merger, suspension, or termination may adversely effect the Restricted Share Units previously granted and deposited in the Participant's Non-Vested RSU Account or Vested RSU Account immediately prior to the date of such amendment, suspension, merger or termination, without the consent of the affected Participant.

Amendments made to the Plan shall be in accordance with applicable law or regulatory or other approvals as are required under applicable legislation.

7.04 **Termination, Merger and Suspension**

If the Company terminates, merges or suspends the Plan no new Restricted Share Units will be credited to the Participant's Non-Vested RSU Account or Vested RSU Account and the Plan shall terminate.

7.05 **Termination Entitlement**

In the event of the termination of the Plan, Restricted Share Units shall be paid in accordance with the terms and conditions of the Plan existing at the time of its termination. The Plan will cease to operate for all purposes when the last remaining Participant receives payment of all Restricted Share Units recorded in the Participant's Vested RSU Account.

Exhibit 4.08

EXECUTION VERSION

AGNICO-EAGLE MINES LIMITED

U.S.$200,000,000

4.87% Series A Senior Notes due 2022
5.02% Series B Senior Notes due 2024

NOTE PURCHASE AGREEMENT

Dated as of July 24, 2012

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AGNICO-EAGLE MINES LIMITED
145 King Street East, Suite 400
Toronto, Ontario
Canada, M5C 2Y7

4.87% Series A Senior Notes due 2022
5.02% Series B Senior Notes due 2024

Dated as of July 24, 2012

To Each of the Purchasers Listed in
Schedule A Hereto:

Ladies and Gentlemen:

Agnico-Eagle Mines Limited, a corporation organized under the laws of the Province of Ontario (the " **Company** "), agrees with each of the purchasers whose names appear at the end hereof (each a " **Purchaser** " and collectively the " **Purchasers** ") as follows:

1. AUTHORIZATION OF NOTES.

The Company will authorize the issue and sale, in two series, of U.S.$200,000,000 aggregate principal amount of its senior notes of which (a) U.S.$100,000,000 aggregate principal amount shall be its 4.87% Series A Senior Notes due 2022 (the " **Series A Notes** ") and (b) U.S.$100,000,000 aggregate principal amount shall be its 5.02% Series B Senior Notes due 2024 (the " **Series B Notes** " and, together with the Series A Notes, the " **Notes** ", such term to include any such notes issued in substitution therefor pursuant to Section 14). The Series A Notes and Series B Notes shall be substantially in the form set out in Exhibit 1-A and 1-B, respectively. Certain capitalized and other terms used in this Agreement are defined in Schedule B; and references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

Subject to Sections 9.8(c) and 9.8(d), payment of the principal of, Make-Whole Amount (if any) and Modified Make-Whole Amount (if any) and interest on the Notes and other amounts owing hereunder shall be unconditionally guaranteed by the Subsidiary Guarantors as set forth in the Subsidiary Guarantee of such Subsidiary Guarantors.

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes in the respective series and in the principal amount specified opposite such Purchaser's name in Schedule A at the purchase price of 100% of the principal

amount thereof. The Purchasers' obligations hereunder are several and not joint obligations and no Purchaser shall have any liability to any Person for the performance or non-performance of any obligation by any other Purchaser hereunder.

3. CLOSING.

The sale and purchase of the Notes to be purchased by each Purchaser shall occur at the offices of Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, New York 10005, at 10:00 A.M., New York City time, at a closing (the " **Closing** ") on July 24, 2012. At the Closing the Company will deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note for each series to be so purchased (or such greater number of Notes in denominations of at least U.S.$100,000 as such Purchaser may request) dated the date of the Closing and registered in such Purchaser's name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Company to account number 800028716919 at The Bank of Nova Scotia, New York Agency, New York, NY, ABA number 026002532, Account name: Agnico-Eagle Mines Limited. If at the Closing the Company shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. CONDITIONS TO CLOSING.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

4.1. Representations and Warranties.

The representations and warranties of the Company in this Agreement shall be correct when made and at the time of the Closing.

4.2. Performance; No Default.

The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing and immediately after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14) no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary Guarantor shall have entered into any transaction since December 31, 2011 that would have been prohibited by Sections 10.1, 10.2, 10.5 or 10.7 had such Sections applied since such date.

4.3. Compliance Certificates.

(a) Officer's Certificate . The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled and specifying the amount of Tangible Net Worth that would have been required to be maintained by the Company pursuant to Section 9.10 as of March 31, 2012 as if this Agreement were in effect as of such date.

(b) Secretary's or Director's Certificate . The Company and each Subsidiary Guarantor shall have delivered to such Purchaser a certificate of its Secretary or an Assistant Secretary or a Director or other appropriate person, dated the date of the Closing, certifying as to (i) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes and this Agreement (in the case of the Company) and each Subsidiary Guarantee (in the case of the Subsidiary providing such Subsidiary Guarantee) and (ii) the Company's organizational documents as then in effect.

4.4. Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing from (a) (i) Davies Ward Phillips & Vineberg LLP, U.S. counsel for the Company, (ii) Davies Ward Phillips & Vineberg LLP, Canadian counsel for the Company and the Subsidiary Guarantors organized or incorporated in the Province of Ontario, (iii) Davies Ward Phillips & Vineberg LLP, Quebec counsel for the Subsidiary Guarantor organized or incorporated in the Province of Quebec, (iv) Sánchez-Mejorada, Velasco y Ribé, Mexican counsel for the Subsidiary Guarantors organized or incorporated in the Republic of Mexico, (v) Advokatfirman Vinge KB, Swedish counsel for the Subsidiary Guarantor organized or incorporated in Sweden, (vi) Hannes Snellman Attorneys Ltd, Finnish counsel for the Subsidiary Guarantor organized or incorporated in Finland, (vii) Heussen, Dutch counsel for the Subsidiary Guarantors organized or incorporated in the Netherlands, (viii) Chancery Chambers, Barbadian counsel for the Subsidiary Guarantor organized or incorporated in Barbados, (ix) Lawson Lundell LLP, British Columbia counsel for the Subsidiary Guarantor organized or incorporated in the Province of British Columbia, and (x) Erwin & Thompson LLP, Nevada counsel for the Subsidiary Guarantor organized or incorporated in the State of Nevada, substantially in the respective forms set forth in Exhibits 4.4(a)(i), 4.4(a)(ii), 4.4(a)(iii), 4.4(a)(iv), 4.4(a)(v), 4.4(a)(vi), 4.4(a)(vii), 4.4(a)(viii), 4.4(a)(ix) and 4.4 (a)(x), and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and each of the Company and each of the Subsidiary Guarantors hereby instructs its counsel to deliver such opinions to the Purchasers) and (b) from Milbank, Tweed, Hadley & McCloy LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.5. Purchase Permitted By Applicable Law, Etc.

On the date of the Closing, such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law)

permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.6. Sale of Other Notes.

Contemporaneously with the Closing the Company shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in Schedule A.

4.7. Payment of Special Counsel Fees.

Without limiting the provisions of Section 16.1, the Company shall have paid on or before the Closing the reasonable fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.4 to the extent reflected in a properly documented statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

4.8. Private Placement Number.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for each series of Notes.

4.9. Changes in Corporate Structure.

The Company shall not have changed its jurisdiction of incorporation or organization, as applicable, or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

4.10. Acceptance of Appointment to Receive Service of Process.

Such Purchaser shall have received evidence of the acceptance by CT Corporation (the " **Process Agent** ") of the appointment and designation provided for by Section 23.8(e) hereof and Section 16(b) of the Subsidiary Guarantees for the period from the date of the Closing to July 24, 2025 (and the payment in full of all fees in respect thereof).

4.11. Subsidiary Guarantees.

Such Purchaser shall have received a true and complete copy of the Subsidiary Guarantees, duly executed and delivered by each Subsidiary Guarantor identified in Schedule 5.4, such Subsidiary Guarantees shall be in full force and effect, and the representations and warranties of the Subsidiary Guarantors in such Subsidiary Guarantees shall be correct when made and at the time of Closing.

Such Purchaser shall also have received in respect of each Subsidiary Guarantor identified in Schedule 5.4:

(a) a duly certified copy of the resolution of the board of directors or analogous authorization, if any, of such entity authorizing it to execute, deliver and perform its obligations under its Subsidiary Guarantee; and

(b) an opinion addressed to the Purchasers and in form and substance satisfactory to the Purchasers from legal advisors to such Subsidiary Guarantor covering the status and capacity of such entity, the due authorization, execution and delivery and the validity and enforceability of its Subsidiary Guarantee and other matters reasonably satisfactory to the Purchasers (being those legal opinions referenced in Section 4.4 insofar as they relate to the Subsidiary Guarantors) and the Company hereby instructs its counsel to deliver such opinions to the Purchasers.

4.12. Funding Instructions.

At least three Business Days prior to the date of the Closing, each Purchaser shall have received written instructions signed by a Responsible Officer on letterhead of the Company confirming the information specified in Section 3 including (a) the name and address of the transferee bank, (b) such transferee bank's ABA number and (c) the account name and number into which the purchase price for the Notes is to be deposited.

4.13. Credit Rating.

The Company shall have a corporate rating of not less than BBB (low) from DBRS.

4.14. Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement, the Subsidiary Guarantees and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each Purchaser that:

5.1. Organization; Power and Authority.

The Company is a corporation duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of amalgamation, and is duly qualified as a foreign corporation and, where legally applicable, is in good standing in each jurisdiction in which it carries on business, where such qualification is required by law, other

than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts, to execute and deliver this Agreement and the Notes and to perform the provisions hereof and thereof.

5.2. Authorization, Etc.

This Agreement and the Notes have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally; (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) including the fact that equitable remedies, including specific performance and injunctive relief, are only available at a court's discretion; and (iii) the fact that pursuant to the *Currency Act* (Canada), no court in Canada may make an order expressed in any currency other than Canadian Dollars.

5.3. Disclosure.

This Agreement and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Company in connection with the transactions contemplated hereby and identified in Schedule 5.3, and the financial statements listed in Schedule 5.5 (this Agreement and such documents, certificates or other writings and financial statements listed in Schedules 5.3 and 5.5, respectively, and delivered to each Purchaser prior to June 26, 2012 being referred to, collectively, as the " **Disclosure Documents** "), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, since December 31, 2011 there has been no change in the financial condition, operations, business, properties or prospects of the Company or any Subsidiary except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that would reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents or that has not been otherwise disclosed in writing to each Purchaser.

5.4. Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary and whether such Subsidiary will on the date of the Closing be a Subsidiary Guarantor, (ii) of the Company's Affiliates, other than Subsidiaries, and (iii) of the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (other than any Lien created by statute or by operation of law and the Mexican Pledge), and except as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and, where legally applicable, is in good standing in each jurisdiction in which it carries on business, where such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts.

(d) No Subsidiary is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the Major Credit Facility, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law or similar statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

5.5. Financial Statements; Material Liabilities.

The Company has delivered to each Purchaser copies of the audited consolidated financial statements of the Company listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Company and its Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

5.6. Compliance with Laws, Other Instruments, Etc.

The execution, delivery and performance by the Company of this Agreement and the Notes will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum and articles of association or by-laws, or any other Material agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any

Subsidiary or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

5.7. Governmental Authorizations, Etc.

Except as set forth in Schedule 5.7, no consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority (other than the public filing of this Agreement with securities regulators as a material agreement) is required in connection with the execution, delivery or performance by the Company of this Agreement or the Notes, including, without limitation, any thereof required in connection with the obtaining of U.S. Dollars to make payments under this Agreement or the Notes and the payment of such U.S. Dollars to Persons resident in the United States of America. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in the Province of Ontario of this Agreement or the Notes that any thereof or any other document be filed, recorded or enrolled with any Governmental Authority (other than to obtain a court order in the context of a *de novo* judicial proceeding, in which case this Agreement and/or the Notes would have to be submitted as evidence to a court) or that any such agreement or document be stamped with any stamp, registration or similar transaction tax.

5.8. Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is (i) in default under any term of any agreement or instrument to which it is a party or by which it is bound, (ii) in violation of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or (iii) in violation of any applicable law, ordinance, rule or regulation (including, without limitation, Environmental Laws and the USA PATRIOT Act) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.9. Taxes.

The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that would reasonably be expected to have a Material Adverse Effect. The charges, accruals and

reserves on the books of the Company and its Subsidiaries in respect of Federal, state or other income taxes for any fiscal periods for which potential claims by any Taxing Jurisdiction are not barred by a statute of limitations or similar provision of law are adequate.

No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of Canada or any political subdivision thereof will be incurred by the Company or any holder of a Note solely as a result of the execution or delivery of this Agreement or the Notes (without any consideration of any fact or circumstance particular or relating to a specific holder) and no deduction or withholding in respect of Taxes imposed by or for the account of Canada or, to the knowledge of the Company without independent investigation or inquiry, any other Taxing Jurisdiction, is required to be made from any payment by the Company under this Agreement or the Notes except for any such liability, withholding or deduction imposed, assessed, levied or collected by or for the account of any such Governmental Authority of Canada arising out of circumstances described in clause (a), (b), (c) or (d) of Section 13.

5.10. Title to Property; Leases.

The Company and its Subsidiaries have good and sufficient title to their respective properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases to which the Company or any Subsidiary is party and that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

5.11. Licenses, Permits, Etc.

(a) The Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others.

(b) To the best knowledge of the Company, no product of the Company or any of its Subsidiaries infringes in any material respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person.

(c) To the best knowledge of the Company, there is no Material violation by any Person of any right of the Company or any of its Subsidiaries with respect to any patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries.

5.12. Compliance with ERISA; Non-U.S. Plans.

(a) Except as disclosed in Schedule 5.12, neither the Company nor any ERISA Affiliate maintains, contributes to or is obligated to maintain or contribute to, or has, at any time within the past six years, maintained, contributed to or been obligated to maintain or contribute to, any employee benefit plan which is subject to Title I or Title IV of ERISA or section 4975 of the Code. Except with respect to the Plan disclosed in Schedule 5.12, neither the Company nor any ERISA Affiliate is, or has ever been at any time within the past six years, a "party in interest" (as defined in section 3(14) of ERISA) or a "disqualified person" (as defined in section 4975 of the Code) with respect to any such plan. The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and would not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA, and no event, transaction or condition has occurred or exists that would reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA, other than such liabilities as have not resulted in and would not reasonably be expected to result in a Material Adverse Effect.

(b) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure to so comply would not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by the Company and its Subsidiaries have been paid or accrued as required by applicable laws governing such Non-U.S. Plans, except where failure so to pay or accrue would not be reasonably expected to have a Material Adverse Effect.

(c) No steps have been taken to terminate any Non-U.S. Plan (in whole or in part) which would result in the obligor under such Non-U.S. Plan being required to make any additional contributions to such Non-U.S. Plan. Each such Non-U.S. Plan is funded in accordance with the terms of such Non-U.S. Plan and the requirements of law applicable to such Non-U.S. Plan.

5.13. Private Offering by the Company.

Neither the Company nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 50 other Institutional Investors, each of which has been offered the Notes at a private sale outside of Canada for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

5.14. Use of Proceeds; Margin Regulations.

The Company will apply, within 30 days after the date of Closing, 100% of the proceeds of the sale of the Notes to repay indebtedness outstanding under the Major Credit Facility (without permanent reduction in the availability thereunder) and for general corporate purposes. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock in violation of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). The Company will not use directly, and has no present intention to use indirectly, any part of the proceeds from the sale of the Notes hereunder for the purpose of buying or carrying any margin stock within the meaning of said Regulation U. Margin stock does not constitute more than 25% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 25% of the value of such assets. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

5.15. Existing Indebtedness; Future Liens.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Indebtedness of the Company and its Subsidiaries as of March 31, 2012 (including a description of the obligors and obligees, principal amount outstanding and collateral therefor, if any, and Guaranty thereof, if any), since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of the Company or such Subsidiary and no event or condition exists with respect to any Indebtedness of the Company or any Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.5.

(c) Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Company, except as specifically indicated in Schedule 5.15.

5.16. Foreign Assets Control Regulations, Etc.

(a) Neither the Company nor any Controlled Entity is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, U.S. Department of Treasury (" **OFAC** ") (an " **OFAC Listed Person** ") or (ii) a department, agency or instrumentality of, or is otherwise controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (ii), a " **Blocked Person** ").

(b) No part of the proceeds from the sale of the Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used, directly by the Company or indirectly, in connection with any investment in, or any transactions or dealings with, any Blocked Person.

(c) To the Company's actual knowledge, neither the Company nor any Controlled Entity (i) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any applicable law (collectively, " **Anti-Money Laundering Laws** "), (ii) has been assessed civil penalties under any Anti-Money Laundering Laws or (iii) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has taken such measures as are required by applicable law to ensure that the Company and each Controlled Entity is in compliance with all applicable current Anti-Money Laundering Laws.

(d) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in each case in violation of applicable law. The Company has taken reasonable measures appropriate to the circumstances (in any event as required by applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in material compliance with all applicable current and future anti-corruption laws and regulations.

5.17. Status under Certain Statutes.

Neither the Company nor any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

5.18. Environmental Matters.

(a) Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or

formerly owned, leased or operated by any of them or other assets, alleging any violation of any Environmental Laws, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim against the Company or any of its Subsidiaries, public or private, of violation of Environmental Laws emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect.

(c) Neither the Company nor any Subsidiary has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them in a manner contrary to any Environmental Laws and has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws, in each case in any manner that would reasonably be expected to result in a Material Adverse Effect.

(d) All buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply would not reasonably be expected to result in a Material Adverse Effect.

5.19. Ranking of Obligations.

The Company's payment obligations under this Agreement and the Notes will, upon issuance of the Notes, rank at least *pari passu* , without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Company, except for any such Indebtedness preferred by operation of law.

5.20. Subsidiary Guarantees.

The representations and warranties of each Subsidiary Guarantor contained in the Subsidiary Guarantee of such Subsidiary Guarantor are true and correct as of the date they are made and will be true and correct at the time of Closing.

5.21. Mines.

The Goldex Mine, the Lapa Mine, the LaRonde Mine and the Meadowbank Mine are each owned by the Company and each of the Kittila Mine, and the Pinos Altos Mine is owned by an indirect, wholly-owned Subsidiary of the Company.

5.22. Solvency Proceedings.

Neither the Company nor any Subsidiary has:

(a) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;

(b) in respect of itself, filed an assignment or petition in bankruptcy or a petition to take advantage of any insolvency statute;

(c) made an assignment for the benefit of its creditors;

(d) consented to the appointment of a receiver of the whole or any substantial part of its assets;

(e) filed a petition or answer seeking a reorganization, arrangement, adjustment or compensation in respect of itself under applicable bankruptcy laws or any other applicable law or statute of Canada, the United States or other applicable jurisdiction or any subdivision thereof; or

(f) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy of the Company or any Subsidiary with such decree or order having remained in force and undischarged or unstayed for a period of 30 days.

5.23. Subsidiary Guarantors.

The Company and the Subsidiary Guarantors accounted for greater than 93% of the consolidated total assets of the Company and its Subsidiaries as of March 31, 2012 and 100% of the consolidated total revenues of the Company and its Subsidiaries for the twelve-month period ending on March 31, 2012.

6. REPRESENTATIONS OF THE PURCHASERS.

(a) Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

(b) Each Purchaser severally acknowledges that the Notes are not qualified for distribution to the public in Canada and further severally represents and agrees that it shall not resell its Notes in Canada or to any Canadian resident unless permitted under the applicable securities laws of the provinces and territories of Canada, and any resale of the Notes by such Purchaser in Canada or to a Canadian resident will comply with the applicable securities laws of the provinces and territories of Canada.

(c) Each Purchaser severally represents that it is not domiciled in Canada and did not engage in activities in Canada in connection with its purchase of Notes.

7. INFORMATION AS TO THE COMPANY.

7.1. Financial and Business Information.

The Company shall deliver to each holder of Notes that is an Institutional Investor (and for purposes of this Agreement the information required by this Section 7.1 shall be deemed delivered on the date of delivery of such information or in the case of any such information being filed on SEDAR or EDGAR or published on the Company's website, the date on which notice of such filing or publishing is provided to such holders of Notes, provided that a holder may request delivery of hard copies of such information at any time):

(a) Interim Statements — promptly after the same are available and in any event within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), unaudited consolidated financial statements of the Company and its Subsidiaries as at the end of such quarter, in each case including, without limitation, balance sheet, statements of income, shareholders' equity and cash flows and management's discussion and analysis, for such period and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter, setting forth in each case in comparative form the figures for the corresponding period in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to interim financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the consolidated financial position of the Company, subject to changes resulting from year-end adjustments;

(b) Annual Statements — promptly after the same are available and in any event within 120 days after the end of each fiscal year of the Company, consolidated annual financial statements of the Company and its Subsidiaries, including, without limitation, balance sheet, statements of income, shareholders' equity and cash flows and management's discussion and analysis, together with the notes thereto, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent public accountants of recognized international standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in accordance with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances;

(c) Reports to Lenders and Regulatory Authorities — promptly upon their becoming available, one copy of (i) each financial statement, report, circular, notice, proxy statement or similar document sent by the Company or any Subsidiary Guarantor to its principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to its public securities holders generally, (ii) each regular or periodic report, each registration statement (without exhibits except as

expressly requested by such holder), and each prospectus and all amendments thereto filed by the Company or any Subsidiary Guarantor with the Securities and Exchange Commission or any similar Governmental Authority or securities exchange and of all press releases and other written statements made available generally by the Company or any Subsidiary Guarantor to the public concerning developments that are Material and (iii) any release, report, statement or document filed by the Company or any Subsidiary Guarantor with any regulatory authority, except in circumstances where such filing is made on a confidential basis, in which case the Company shall deliver a copy thereof when such filing is no longer confidential;

(d) Notice of Default or Event of Default — promptly and in any event within 10 Business Days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) Notices from Governmental Authority — promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary Guarantor from any Governmental Authority relating to any order, ruling, statute or other law or regulation that would reasonably be expected to have a Material Adverse Effect;

(f) Mining Reports — promptly, after the same are available and in any event within 120 days after the end of each fiscal year of the Company, copies of technical reports of the Company as required by Canadian National Instrument 43-101 — Standards of Disclosure for Mineral Projects;

(g) Environmental Matters — promptly after a Responsible Officer becoming aware thereof, a written notice of any violation, alleged violation, notice of infraction, order, claim, suit or proceeding relating to Environmental Laws or the presence of Hazardous Materials on or originating from the property or operations of any of the Company or any Subsidiary Guarantor which would reasonably be expected to have a Material Adverse Effect;

(h) Proceedings, etc. — promptly after a Responsible Officer becoming aware thereof, the occurrence of any action, suit, dispute, arbitration, proceeding, labor or industrial dispute or other circumstance affecting the Company and the Subsidiary Guarantors, the result of which if determined adversely would reasonably be expected to have a Material Adverse Effect; and

(i) Requested Information — with reasonable promptness following any request therefor, such other data and information the subject matter of which is not already in some manner addressed in this Section 7.1 (provided that the Company will provide answers to questions from any holder of a Note pertaining to such information addressed in this Section 7.1) relating to the business, operations, affairs, financial condition, assets or properties of the Company or any Subsidiary Guarantor or relating to

the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Notes, including information readily available to the Company explaining the Company's financial statements if such information has been requested by the SVO in order to assign or maintain a designation of the Notes.

7.2. Officer's Certificate.

Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) shall be accompanied by a certificate of a Senior Financial Officer in substantially the form attached as Exhibit 7.2 hereto, (and in the case of financial statements posted on SEDAR, EDGAR or the Company's website, such certificate shall be sent to each holder of Notes concurrently with notice of such posting):

(a) Covenant Compliance — setting forth the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Sections 9.8(a)(i), 9.9, 9.10, 10.5(p), 10.6(g) and 10.7(f) during the interim or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) Event of Default — certifying that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the interim or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary Guarantor to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

7.3. Visitation.

The Company shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) No Default — if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and the Subsidiary Guarantors with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the

Company and each Subsidiary Guarantor, all at such reasonable times and as may be reasonably requested in writing, in all cases, without any invasion or intrusive testing, provided that no holder of Notes is entitled to visit more than once per year; and

(b) Default — if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary Guarantor, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and the Subsidiary Guarantors), all at such times and as often as may be requested.

7.4. Limitation on Disclosure Obligation.

The Company shall not be required to disclose the following information pursuant to Section 7.1(c), 7.1(e), 7.1(g), 7.1(h), 7.1(i) or 7.3:

(a) information that the Company determines after consultation with counsel qualified to advise on such matters that, notwithstanding the confidentiality requirements of Section 21, it would be prohibited from disclosing by applicable law or regulations without making public disclosure thereof; or

(b) information that, notwithstanding the confidentiality requirements of Section 21, the Company is prohibited from disclosing by the terms of an obligation of confidentiality contained in any agreement with any non-Affiliate binding upon the Company and not entered into in contemplation of this clause (b), provided that the Company shall use commercially reasonable efforts to obtain consent from the party in whose favor the obligation of confidentiality was made to permit the disclosure of the relevant information, and provided further that the Company has received a written opinion of counsel confirming that disclosure of such information without consent from such other contractual party would constitute a breach of such agreement; or

(c) information that, notwithstanding the confidentiality requirements of Section 21, the Company is prohibited from disclosing by the terms of an obligation of confidentiality imposed on it by any Governmental Authority.

Promptly after a request therefor from any holder of Notes that is an Institutional Investor, the Company will provide such holder with a written opinion of counsel (which may be addressed to the Company and need not be addressed to any other Person) relied upon as to any requested information that the Company is prohibited from disclosing to such holder under circumstances described in Section 7.4(b).

8. PAYMENT AND PREPAYMENT OF THE NOTES.

8.1. Maturity.

As provided therein, the entire unpaid principal balance of the Series A Notes and Series B Notes shall be due and payable on July 24, 2022 and July 24, 2024, respectively.

8.2. Optional Prepayment with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.6), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3. Prepayment for Tax Reasons.

If at any time as a result of a Change in Tax Law (as defined below) the Company is or becomes obligated to make any Additional Payments (as defined below) in respect of any payment of interest on account of any of the Notes in an aggregate amount for all affected Notes equal to 5% or more of the aggregate amount of such interest payment on account of all of the Notes, the Company may give the holders of all affected Notes irrevocable written notice (each, a " **Tax Prepayment Notice** ") of the prepayment of such affected Notes on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) and the circumstances giving rise to the obligation of the Company to make any Additional Payments and the amount thereof and stating that all of the affected Notes shall be prepaid on the date of such prepayment at 100% of the outstanding principal amount so prepaid together with interest accrued thereon to, but excluding, the date of such prepayment plus an amount equal to the Modified Make-Whole Amount for each such Note, except in the case of an affected Note if the holder of such Note shall, by written notice given to the Company no more than 20 days after receipt of the Tax Prepayment Notice, reject such prepayment of such Note (each, a " **Rejection Notice** "). Such Tax Prepayment Notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Modified Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. The form of Rejection Notice shall also accompany the Tax Prepayment Notice and shall state with respect to

each Note covered thereby that execution and delivery thereof by the holder of such Note shall operate as a permanent waiver of such holder's right to receive the Additional Payments arising as a result of the circumstances described in the Tax Prepayment Notice in respect of all future payments of interest on such Note (but not of such holder's right to receive any Additional Payments that arise out of circumstances not described in the Tax Prepayment Notice or which exceed the amount of the Additional Payment described in the Tax Prepayment Notice), which waiver shall be binding upon all subsequent transferees of such Note. The Tax Prepayment Notice having been given as aforesaid to each holder of the affected Notes, the outstanding principal amount of such Notes together with interest accrued thereon to, but excluding, the date of such prepayment plus the Modified Make-Whole Amount shall become due and payable on such prepayment date, except in the case of Notes the holders of which shall timely give a Rejection Notice as aforesaid. Two Business Days prior to such prepayment, the Company shall deliver to each holder of a Note being so prepaid a certificate of a Senior Financial Officer specifying the calculation of such Modified Make-Whole Amount as of such prepayment date.

No prepayment of the Notes pursuant to this Section 8.3 shall affect the obligation of the Company to pay Additional Payments in respect of any payment made on or prior to the date of such prepayment. For purposes of this Section 8.3, any holder of more than one affected Note may act separately with respect to each affected Note so held (with the effect that a holder of more than one affected Note may accept such offer with respect to one or more affected Notes so held and reject such offer with respect to one or more other affected Notes so held).

The Company may not offer to prepay or prepay Notes pursuant to this Section 8.3 (a) for so long as a Default or Event of Default then exists, (b) until the Company shall have taken commercially reasonable steps to mitigate the requirement to make the related Additional Payments or (c) if the obligation to make such Additional Payments directly results or resulted from actions taken by the Company or any Subsidiary (other than actions required to be taken under applicable law), and any Tax Prepayment Notice given pursuant to this Section 8.3 shall certify to the foregoing and describe such mitigation steps, if any.

For purposes of this Section 8.3: " **Additional Payments** " means additional amounts required to be paid to a holder of any Note pursuant to Section 13 by reason of a Change in Tax Law; and a " **Change in Tax Law** " means (individually or collectively with one or more prior changes) (i) an amendment to, or change in, any law, treaty, rule or regulation of Canada after the date of the Closing, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation after the date of the Closing, which amendment or change is in force and continuing and meets the opinion and certification requirements described below or (ii) in the case of any other jurisdiction that becomes a Taxing Jurisdiction after the date of the Closing, an amendment to, or change in, any law, treaty, rule or regulation of such jurisdiction, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation, in any case after such jurisdiction shall have become a Taxing Jurisdiction, which amendment or change is in force and continuing and meets such opinion and certification requirements. No such amendment or change shall constitute a Change in Tax Law unless the same would in the opinion of the Company (which shall be evidenced by an Officer's Certificate of the Company and supported by a written opinion of counsel having recognized expertise in the field of taxation in the Taxing Jurisdiction, both of

which shall be delivered to all holders of the Notes prior to or concurrently with the Tax Prepayment Notice in respect of such Change in Tax Law) affect the deduction or require the withholding of any Tax imposed by such Taxing Jurisdiction on any payment payable on the Notes.

8.4. Prepayment in Connection with a Change of Control. Promptly and in any event within five Business Days after the occurrence of a Change of Control, the Company shall give written notice thereof (each a " **Control Prepayment Notice** ") to each holder of a Note, which Control Prepayment Notice shall describe the Change of Control in reasonable detail (including the Persons party thereto) and (i) refer specifically to this Section 8.4, (ii) specify a Business Day not less than 30 days and not more than 60 days after the date of the Control Prepayment Notice (the " **Control Prepayment Date** ") and specify the Control Response Date (as defined below) and (iii) offer to prepay on the Control Prepayment Date all (but not less than all) of each Note of each such holder, at 100% of the outstanding principal amount thereof, without any Make-Whole Amount, Modified Make-Whole Amount or other premium, together with interest accrued thereon to, but excluding, the Control Prepayment Date. Each holder of a Note shall notify the Company of such holder's acceptance or rejection of such offer (which may be on a Note-by-Note basis) by giving written notice of such acceptance or rejection to the Company within 20 days following the date of the Control Prepayment Notice (such date 20 days following the date of the Control Prepayment Notice being the " **Control Response Date** "), and the Company shall prepay in full on the Control Prepayment Date all Notes as to which each holder has accepted such offer in accordance with this Section 8.4 at a price in respect of each such Note held by such holder equal to 100% of the outstanding principal amount thereof, without any Make-Whole Amount, Modified Make-Whole Amount or other premium, together with interest accrued thereon to, but excluding, the Control Prepayment Date. The failure by the holder of any Note to respond to an offer made in accordance with this Section 8.4 by the Control Response Date shall be deemed to be a rejection of such offer.

8.5. Prepayment in Connection with Asset Dispositions.

If the Company is required to offer to prepay Notes in accordance with Section 10.7(e), the Company will give written notice thereof (each a " **Disposition Prepayment Notice** ") to the holders of the Notes then outstanding, which notice shall (i) refer specifically to this Section 8.5 and describe in reasonable detail the Disposition giving rise to such offer to prepay Notes, (ii) specify the ratable portion of each Note being offered to be prepaid (determined based on the unpaid principal amount of each Note in proportion to the aggregate unpaid principal of all Notes of all series at the time outstanding), (iii) specify a Business Day for such prepayment not less than 30 days and not more than 60 days after the date of the Disposition Prepayment Notice (the " **Disposition Prepayment Date** ") and specify the Disposition Response Date (as defined below) and (iv) offer to prepay on the Disposition Prepayment Date such ratable portion of each Note, without any Make-Whole Amount, Modified Make-Whole Amount or other premium, together with interest accrued thereon to, but excluding, the Disposition Prepayment Date. Each holder of a Note shall notify the Company of such holder's acceptance or rejection of such offer (which may be on a Note-by-Note basis) by giving written notice of such acceptance or rejection to the Company within 20 days following the date of the Disposition Prepayment Notice (such date 20 days following the date of the Disposition

Prepayment Notice being the " **Disposition Response Date** "), and the Company shall prepay on the Disposition Prepayment Date such ratable portion of each Note as to which each holder has accepted such offer in accordance with this Section 8.5 at a price in respect of each Note held by such holder equal to the principal amount of such ratable portion of such Note, without any Make-Whole Amount, Modified Make-Whole Amount or other premium, together with interest accrued thereon to, but excluding, the Disposition Prepayment Date. The failure by a holder of any Note to respond to such offer in writing on or before the Disposition Response Date shall be deemed to be a rejection of such offer.

8.6. Allocation of Partial Prepayments.

In the case of each partial prepayment of the Notes pursuant to Section 8.2 or Section 8.5 or any partial purchase of the Notes pursuant to Section 8.8, the Company shall prepay or purchase the same percentage of the unpaid principal amount of the Notes of each series, and the principal amount of the Notes of each series so to be prepaid or purchased shall be allocated among all of the Notes of such series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment or purchase.

8.7. Maturity; Surrender, Etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to, but excluding, such date and the applicable Make-Whole Amount or Modified Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount or Modified Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company promptly following such payment or prepayment in full. Any such Note shall be cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.8. Purchase of Notes.

The Company will not and will not permit any Affiliate that it controls to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except (a) upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to an offer to purchase made by the Company or such Affiliate *pro rata* to the holders of all Notes at the time outstanding upon the same terms and conditions. Any such offer shall provide each holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 10 Business Days. If the holders of more than 50% of the principal amount of the Notes then outstanding accept such offer, the Company shall promptly notify the remaining holders of such fact and the expiration date for the acceptance by holders of Notes of such offer shall be extended by the number of days necessary to give each such remaining holder at least five Business Days from its receipt of such notice to accept such offer. The Company will promptly

cancel all Notes acquired by it or such Affiliate pursuant to any payment or prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.9. Make-Whole Amount and Modified Make-Whole Amount.

The terms **"Make-Whole Amount"** and **"Modified Make-Whole Amount"** mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. For the purposes of determining the Make-Whole Amount and the Modified Make-Whole Amount, the following terms have the following meanings:

" **Applicable Percentage** " in the case of a computation of the Modified Make-Whole Amount for purposes of Section 8.3 means 1.00% (100 basis points), and in the case of a computation of the Make-Whole Amount for any other purpose means, where applicable, 0.50% (50 basis points).

" **Called Principal** " means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

" **Discounted Value** " means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

" **Reinvestment Yield** " means, with respect to the Called Principal of any Note, the sum of the (x) Applicable Percentage plus (y) the yield to maturity implied by (i) the yields reported as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on the run U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for actively traded on the run U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. In the case of each determination under clause (i) or clause (ii), as the case may be, of the preceding sentence, such implied yield will be determined, if necessary, by (a) converting actively traded on the run U.S.

Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable actively traded on the run U.S. Treasury security with the maturity closest to and greater than such Remaining Average Life and (2) the applicable actively traded on the run U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

" **Remaining Average Life** " means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

" **Remaining Scheduled Payments** " means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, 8.3 or 12.1.

" **Settlement Date** " means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

9. AFFIRMATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

9.1. Compliance with Law.

Without limiting Section 10.4, the Company will, and will cause each Subsidiary Guarantor to, comply with all applicable laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, the USA PATRIOT Act and Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2. Insurance.

The Company will, and will cause each Subsidiary Guarantor to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

9.3. Maintenance of Properties and Contracts.

The Company will, and will cause each Subsidiary Guarantor to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section shall not prevent the Company or any Subsidiary Guarantor from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company will, and will cause each of the Subsidiary Guarantors to, maintain in good standing and shall obtain, as and when required, all Material contracts which it requires to permit it to acquire, own, operate and maintain its business and property, except to the extent that a failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.4. Payment of Taxes and Claims.

The Company will, and will cause each Subsidiary Guarantor to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies imposed on them or any of their properties, assets, income or franchises, to the extent the same have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary Guarantor, provided that neither the Company nor any Subsidiary Guarantor need pay any such tax, assessment, charge, levy or claim if (i) the amount, applicability or validity thereof is contested by the Company or such Subsidiary Guarantor on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary Guarantor has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary Guarantor or (ii) the nonpayment of all such taxes, assessments, charges, levies and claims in the aggregate would not reasonably be expected to have a Material Adverse Effect.

9.5. Corporate Existence, Etc.

Subject to Section 10.2, the Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 10.2 and 10.7, the Company will at all times preserve and keep in full force and effect the corporate existence of each Subsidiary Guarantor (unless merged, amalgamated or consolidated, including by way of liquidation, wind-

up or statutory arrangement, into the Company or another Subsidiary Guarantor or a Wholly-Owned Subsidiary which becomes a Subsidiary Guarantor upon such merger, amalgamation or consolidation) and all rights and franchises of the Company and each Subsidiary Guarantor unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.6. Books and Records.

The Company will, and will cause each Subsidiary Guarantor to, maintain proper books of record and account and cause to be recorded faithfully and accurately all transactions with respect to its business in conformity with GAAP.

9.7. Priority of Obligations.

The Company will ensure that its payment obligations under this Agreement and the Notes will at all times rank at least *pari passu* , without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Company, except for any such Indebtedness preferred by operation of law.

9.8. Subsidiary Guarantees; Release.

(a) The Company will ensure that at all times:

(i) the Company and the Subsidiary Guarantors account for at least (x)85% of the consolidated total assets of the Company and its Subsidiaries as of the last day of the most recently ended quarterly or annual fiscal period of the Company (such last day, the " **Test Date** ") and (y) 85% of the consolidated total revenues of the Company and its Subsidiaries for the twelve-month period ending on such Test Date; provided that (A) to the extent the application of clause (d) below renders the Company unable to comply with this clause (a)(i), the Company shall be deemed to satisfy this clause (a)(i) by ensuring that each of its Subsidiaries not subject to the prohibitions in clause (d) below provides a Subsidiary Guarantee, and (B) if on any Test Date the Company determines that the Company and the Subsidiary Guarantors do not meet the above-referenced consolidated total assets and consolidated total revenues thresholds and subclause (A) above does not apply, the Company shall promptly notify each holder of Notes that further guarantees from the Subsidiaries are required to meet the above-referenced consolidated total assets and consolidated total revenues thresholds and within 30 days of the delivery of such notice, cause such of its Subsidiaries to provide a Subsidiary Guarantee as is necessary for the Company to meet the above-referenced consolidated total assets and consolidated total revenues thresholds; and

(ii) without limiting the requirements of the foregoing clause (i), each Subsidiary that has outstanding a Guaranty with respect to any Indebtedness of the Company or any Subsidiary outstanding under any Major Credit Facility or

any Note Purchase Facility (or that is otherwise a co-obligor or jointly liable with respect to any such Indebtedness) is a Subsidiary Guarantor.

(b) The Company will cause each Subsidiary that is or becomes a Subsidiary Guarantor to execute and deliver a Subsidiary Guarantee and provide the following to each holder of a Note:

(i) a certificate signed by a director or an appropriate officer of such Subsidiary certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of such Subsidiary Guarantee; and

(ii) an opinion in form and substance reasonably satisfactory to the Required Holders from legal advisors to such Subsidiary, provided that an opinion substantially in the form of the opinion delivered pursuant to Section 4.11(b) (as such opinion relates to the Subsidiary Guarantees delivered at Closing) shall be deemed reasonably satisfactory to the Required Holders.

(c) Notwithstanding anything in this Agreement or in any Subsidiary Guarantee to the contrary, upon notice by the Company to each holder of a Note (which notice shall contain a certification by the Company as to the matters specified in clauses (x) and (y) below) each of its Subsidiary Guarantors specified in such notice shall cease to be a Subsidiary Guarantor and shall be automatically released from its obligations under its Subsidiary Guarantee (without the need for the execution or delivery of any other document by any holder of a Note or any other Person) if, as at the date of such notice, after giving effect to such release (x) the Company will be in compliance with the requirements of Subsection (a)(i) and (ii) above and (y) no Default or Event of Default shall have occurred and be continuing (as of the actual date of such release and, in the case of Section 9.9 and 9.10, assuming such release had occurred on the last day of the quarterly or annual financial period of the Company immediately preceding the actual date of such release). At the time that any Subsidiary Guarantor shall be released from its obligations under its Subsidiary Guarantee, such Subsidiary shall be deemed to have incurred all of its outstanding Indebtedness immediately after giving effect to such release.

(d) Notwithstanding anything in this Section 9.8 to the contrary, no Subsidiary shall be required to execute and deliver an unlimited Subsidiary Guarantee if (i) it is prohibited from doing so under its Constating Documents and its Constating Documents cannot be amended to permit the granting of an unlimited Subsidiary Guarantee, provided that, if it is prohibited under its Constating Documents from granting an unlimited Subsidiary Guarantee, but not a limited Subsidiary Guarantee of the obligations under this Agreement and the Notes, it shall grant a limited Subsidiary Guarantee of such obligations to the maximum extent permitted by its Constating Documents or (ii) it is prohibited from doing so under applicable law, provided that, if it is prohibited from granting an unlimited Subsidiary Guarantee, but not a limited Subsidiary Guarantee of the obligations under this Agreement and the Notes, it shall grant a limited Subsidiary Guarantee of such obligations to the maximum extent permitted by applicable law.

9.9. Total Net Debt to EBITDA Ratio.

The Company shall, at all times, maintain a Total Net Debt to EBITDA Ratio of not more than 3.50:1.00, on a rolling four-quarter basis.

9.10. Tangible Net Worth.

The Company shall, at all times, maintain a Tangible Net Worth in an amount of not less than U.S.$1,650,000,000, plus 50% of the Company's consolidated net income for each of its fiscal quarters, on a cumulative basis, commencing with its fiscal quarter ending March 31, 2010 (excluding any fiscal quarters in which the Company incurs a net loss) (all as determined on a consolidated basis in accordance with GAAP consistently applied), plus 50% of the net proceeds of any public offerings of Equity Interests (other than convertible Indebtedness) of the Company received during such fiscal quarters, on a cumulative basis.

9.11. Most Favored Lender.

(a) If at any time the Major Credit Facility shall contain any grace period applicable to any event of default that is shorter or more restrictive on the Company than any grace period applicable to a comparable event of default contained in this Agreement (any such provision, a " **Shorter Grace Period** "), then the Company shall promptly, and in any event within 10 Business Days thereof, provide a notice with respect to each such Shorter Grace Period to each holder of a Note. Thereupon, unless waived in writing by the Required Holders within 10 Business Days of the holders' receipt of such notice, such Shorter Grace Period shall be deemed incorporated by reference into this Agreement, *mutatis mutandis*, as if set forth fully herein, effective as of the date when such Shorter Grace Period became effective under the Major Credit Facility.

(b) Upon the request of the Required Holders following the incorporation of a Shorter Grace Period as aforesaid, the Company shall at its expense enter into any additional agreement or amendment to this Agreement reasonably requested evidencing any of the foregoing.

(c) Any Shorter Grace Period incorporated into this Agreement pursuant to this Section 9.11 shall remain unchanged herein notwithstanding any subsequent waiver, amendment or other modification in respect of such provision under the Major Credit Facility and shall survive the termination of the Major Credit Facility.

(d) In no event shall the operation of this Section 9.11 result in the conditions of Section 11 being less beneficial to the holders of the Notes than as in effect on the date of this Agreement or as in effect due to the incorporation of a Shorter Grace Period pursuant to Section 9.11(a).

(e) To the extent there is an inconsistency between or among different agreements constituting the Major Credit Facility in respect of the grace periods applicable to any event of default, the terms that are most restrictive on the Company shall apply to this Agreement.

10. NEGATIVE COVENANTS.

The Company covenants that so long as any of the Notes are outstanding:

10.1. Transactions with Affiliates.

The Company will not, and will not permit any Subsidiary Guarantor to, enter into directly or indirectly any transaction or group of related transactions (including, without limitation, the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate or Associate (other than the Company or another Subsidiary Guarantor) or Person of which it is an Associate (other than the Company or another Subsidiary Guarantor), except on a commercially reasonable basis and upon terms no less favorable to the Company or such Subsidiary Guarantor than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate or Associate.

10.2. Merger, Consolidation, Etc.

The Company will not, and will not permit any Subsidiary Guarantor to, enter into any merger, consolidation, amalgamation, statutory arrangement (involving a business combination) or other reorganization, or liquidate, wind-up or dissolve itself (or suffer any liquidation, wind-up or dissolution), or any Capital Reorganization, or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions, other than:

(a) any Capital Reorganization of a Subsidiary Guarantor;

(b) any Capital Reorganization of the Company in which the holders of the Equity Interests of the Company immediately prior to the Capital Reorganization continue to have, directly or indirectly, more than 50% of the Equity Interests of the Company or the applicable surviving entity immediately after such Capital Reorganization and no Default or Event of Default would result from such Capital Reorganization;

(c) any transaction under which a Subsidiary that is not a Subsidiary Guarantor (i) enters into any merger, amalgamation, consolidation, statutory arrangement (involving a business combination) or other reorganization with or into the Company or a Subsidiary Guarantor (with the Company or the Subsidiary Guarantor, as applicable, being the surviving entity), or (ii) liquidates, winds up or dissolves itself (or suffers any liquidation, wind-up or dissolution) into the Company or a Subsidiary Guarantor, or (iii) conveys, transfers or leases all or substantially all of its assets to the Company or a Subsidiary Guarantor (with the Company or the Subsidiary Guarantor, as applicable, being the surviving entity), in each case so long as no Default or Event of Default is then existing and no Default or Event of Default would result from the consummation of such transaction;

(d) a transaction under which the Company or a Subsidiary Guarantor (the " **Predecessor Entity** ") (i) enters into any merger, amalgamation, consolidation, statutory arrangement (involving a business combination) or other reorganization with or into any

other Person (which may be the Company or a Subsidiary Guarantor), or (ii) liquidates, winds up or dissolves itself (or suffers any liquidation, wind-up or dissolution), provided that no assets are in any way conveyed other than (x) as necessary in respect of filing fees, taxes or other like expenses related to such transaction, (y) to the Company, a Subsidiary Guarantor or an entity that is to become a Successor Entity (as defined below) or (z) pursuant to a Disposition permitted by Section 10.7 (other than Subsection (b) thereof) or (iii) conveys, transfers or leases all or substantially all of its assets to any other Person (which may be the Company or a Subsidiary Guarantor) (any such transaction described in the foregoing clauses (i) through (iii), a " **Business Combination** "), provided , in each case, that:

(i) the successor entity formed as a result of such Business Combination (a " **Successor Entity** ") shall have the corporate (or analogous) power and authority to perform the obligations of the Predecessor Entity under this Agreement and the Notes (in the case of a Business Combination involving the Company) or under the applicable Subsidiary Guarantee (in the case of a Business Combination involving a Subsidiary Guarantor) and, if the Successor Entity is not the Company or a Subsidiary Guarantor, (x) such Successor Entity shall expressly confirm and assume all of the obligations of the Predecessor Entity under this Agreement and the Notes (in the case of a Business Combination involving the Company) or under the applicable Subsidiary Guarantee (in the case of a Business Combination involving a Subsidiary Guarantor) pursuant to an Assumption Agreement substantially in the form of Exhibit 10.2 (an " **Assumption Agreement** ") and (y) such Successor Entity or the Company shall have caused to be delivered to each holder of a Note an opinion of internationally recognized external counsel (or, to the extent internationally recognized external counsel is not available in the applicable jurisdiction, nationally recognized external counsel) in the appropriate jurisdiction(s) to the effect that any such Assumption Agreement is enforceable in accordance with its terms;

(ii) the Business Combination does not materially impair the ability of the Company to perform its obligations under this Agreement and the Notes or a Subsidiary Guarantor to perform its obligations under the applicable Subsidiary Guarantee;

(iii) no Default or Event of Default is then existing and no Default or Event of Default would result from the consummation of the Business Combination (as of the actual date of the Business Combination and, in the case of Section 9.9 and 9.10, assuming such Business Combination had occurred on the last day of the quarterly or annual financial period of the Company immediately preceding the actual date of such Business Combination); and

(iv) in the case of a Business Combination involving the Company, (x) the Successor Entity shall be existing under the laws of the United States or any State thereof (including the District of Columbia), Canada or any Province thereof or any other country that on April 30, 2004 was a member of the European Union (other than Greece, Italy, Portugal or Spain) and (y) each Subsidiary Guarantor

shall acknowledge that its Subsidiary Guarantee shall continue in full force and effect.

No such conveyance, transfer or lease of substantially all of the assets of the Company or any Subsidiary Guarantor shall have the effect of releasing the Company or such Subsidiary Guarantor, as the case may be, or any Successor Entity that shall theretofore have become such in the manner prescribed in this Section 10.2, from its liability under (x) this Agreement or the Notes (in the case of the Company) or (y) the applicable Subsidiary Guarantee (in the case of any Subsidiary Guarantor).

To the extent that Section 8.4 would otherwise be applicable with respect to any transaction involving the Company, compliance by the Company with the provisions of this Section 10.2 shall not be deemed to excuse compliance with or otherwise prejudice Section 8.4.

10.3. Line of Business.

The Company will not, and will not permit any Subsidiary Guarantor to, carry on business activities that differ materially or substantially from the Core Business.

10.4. Terrorism Sanctions Regulations.

The Company will not and will not permit any Controlled Entity to (a) become a Blocked Person or (b) knowingly have any investments in or engage in any dealings or transactions with any Blocked Person if at the time such investments, dealings or transactions would cause any holder of a Note to be in violation of any laws or regulations that are applicable to such holder.

10.5. Liens.

The Company will not, and will not permit any Subsidiary Guarantor to, directly or indirectly create, incur, assume, enter into or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset of the Company or any Subsidiary Guarantor, whether now owned or held or hereafter acquired, except for:

(a) Liens for taxes, duties or other governmental charges not yet due or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Company and/or the relevant Subsidiary Guarantor, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, or other like Liens arising in the ordinary course of business and not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Company and/or the relevant Subsidiary Guarantor, in conformity with GAAP;

(c) pledges or deposits in connection with workers' compensation, employment insurance and other social security legislation and other obligations of a like nature incurred in the ordinary course of business;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, servitudes, rights-of-way, restrictions, exceptions, minor title defects and other similar encumbrances (including for public utilities) which, in the aggregate, do not materially interfere with the Company and/or the relevant Subsidiary Guarantor or its business or the use of the affected property by the Company and/or the relevant Subsidiary Guarantor;

(f) reservations, limitations, provisos and conditions in any original grant from a crown, state, government or any freehold lessor of any of the real properties of the Company and/or the relevant Subsidiary Guarantor and statutory exceptions to title or reservations of rights which do not in the aggregate materially interfere with the Company and/or the relevant Subsidiary Guarantor or its business or the use of the affected real property by the Company and/or the relevant Subsidiary Guarantor;

(g) any obligations or duties affecting any of the property of the Company and/or the relevant Subsidiary Guarantor to any municipality or other Governmental Authority with respect to any franchise, grant, license or permit which do not materially impair the use of such property for the purposes for which it is held;

(h) Liens created in connection with Capital Leases or securing Capital Lease Obligations;

(i) any Liens for unpaid royalties or duties not yet due pursuant to mining leases, claims or other mining rights running in favor of any Governmental Authority;

(j) Liens on equipment and the proceeds thereof (and on no other property) created or assumed to finance the acquisition thereof or secure the unpaid purchase price of such equipment;

(k) Liens in respect of property acquired after the date of the Closing that exist at the time that a Person is, or the assets subject to such Liens are, acquired by the Company or a Subsidiary Guarantor (and not created in anticipation thereof), provided that such Liens shall extend only to the assets acquired or the assets of the Person acquired, as applicable;

(l) royalty agreements or other rights or claims to royalties on or affecting any property owned on the date hereof by the Company or any Subsidiary Guarantor or acquired by the Company or any Subsidiary Guarantor, whether or not in existence at the time of such acquisition;

(m) pledges or deposits of cash or cash equivalent instruments made at a time when no Default or Event of Default has occurred and is continuing for purposes of securing obligations to (i) financial institutions issuing letters of credit to secure obligations under any Plan, Non-U.S. Plan or other retirement plan or for government reclamation costs, or (ii) issuers of letters of credit, letters of guarantee, surety bonds,

performance bonds or guarantees and similar types of instruments issued in the ordinary course of business or in connection with the Core Business of the Company; but excluding any of the foregoing incurred to secure or support indebtedness for borrowed money (including, without limitation, by way of overdraft and drafts or orders accepted representing extensions of credit in respect of borrowed money);

(n) those Liens existing on the property of the Company or any Subsidiary Guarantor (or a predecessor thereof) on the date of Closing and set out in Schedule 10.5 and any extensions, renewals or replacements of any such Lien, provided that the original principal amount of the Indebtedness or obligations secured thereby is not increased and that any such extension, renewal or replacement is limited to the property originally encumbered thereby;

(o) Liens granted by the Company or a Subsidiary Guarantor in favor of another Subsidiary Guarantor or the Company, as the case may be; and

(p) any Lien in addition to those described in clauses (a) through (o) above, provided that, upon the incurrence of such Lien, the sum (without duplication) of (i) the aggregate amount of all Indebtedness of the Company and the Subsidiary Guarantors secured by Liens permitted pursuant to this clause (p) and (ii) the aggregate amount of all Indebtedness of Subsidiary Guarantors permitted pursuant to Section 10.6(g) shall not exceed 5% of Shareholders' Equity; provided further that in no event shall the Company or any Subsidiary Guarantor create, incur, assume, enter into or permit to exist any Lien securing Indebtedness under any Major Credit Facility pursuant to this clause (p), except for any cash collateral posted in respect of letters of credit and bankers' acceptances outstanding at the time any Major Credit Facility is terminated.

10.6. Subsidiary Indebtedness.

The Company will not permit any Subsidiary Guarantor at any time to create, assume, incur, guarantee or otherwise be or become liable in respect of any Indebtedness, except for:

(a) (i) any Guaranty by any Subsidiary Guarantor of Indebtedness of the Company outstanding under any Major Credit Facility or any Note Purchase Facility, (ii) any other Indebtedness of any Subsidiary Guarantor, provided that, in the case of this clause (ii), the Subsidiary Guarantee Conditions have been satisfied with respect to such Subsidiary Guarantor and (iii) any Guaranty by any Subsidiary Guarantor in favor of a lender or an Affiliate of a lender under a Major Credit Facility in respect of obligations under Derivative Instruments or Other Supported Agreements entered into between the Company or any Subsidiary Guarantor and any lender or an Affiliate of a lender under a Major Credit Facility;

(b) Indebtedness of any Person that becomes a Subsidiary after the date of Closing that (i) is outstanding on the date such Person becomes a Subsidiary and (ii) is not incurred, extended or renewed in contemplation of such Person becoming a Subsidiary, provided that such Indebtedness may be refinanced, extended or renewed so

long as the principal amount thereof is not increased and no Default or Event of Default shall have occurred and be continuing at the time of such refinancing, extension or renewal;

(c) Indebtedness of any Subsidiary Guarantor owing to the Company or another Subsidiary Guarantor or a Wholly-Owned Subsidiary;

(d) Indebtedness of any Subsidiary Guarantor that is outstanding on the date of Closing and set out in Schedule 5.15, and any refinancing, extension or renewal thereof so long as the principal amount thereof is not increased and no Default or Event of Default shall have occurred and be continuing at the time of such refinancing, extension or renewal;

(e) the Other Supported Obligations, provided that (other than with respect to the doré purchase agreements referred to in clause (b) of the definition of "Other Supported Agreements") such Other Supported Obligations are only for purposes of supporting the movement of funds between or among the Company and one or more Subsidiary Guarantors or between or among Subsidiary Guarantors in connection with cash management by the Company and the Subsidiary Guarantors;

(f) unsecured Indebtedness incurred by any Subsidiary Guarantor at a time when no Default or Event of Default has occurred and is continuing in respect of letters of credit, letters of guarantee, surety bonds, performance bonds or guarantees and similar types of instruments issued in the ordinary course of business or in connection with the Company's or a Subsidiary Guarantor's Core Business; but excluding any of the foregoing incurred to secure or support indebtedness for borrowed money (including, without limitation, by way of overdraft and drafts or orders accepted representing extensions of credit in respect of borrowed money); and

(g) any Indebtedness in addition to that described in clauses (a) through (f) above, provided that, upon the incurrence of such Indebtedness, the sum (without duplication) of (i) the aggregate amount of all Indebtedness of the Company and the Subsidiary Guarantors secured by Liens permitted pursuant to Section 10.5 (p) and (ii) the aggregate amount of all Indebtedness of Subsidiary Guarantors permitted pursuant to this clause (g) shall not exceed 5% of Shareholders' Equity.

10.7. Sale of Assets.

The Company will not, and will not permit any Subsidiary Guarantor to, sell, lease, transfer, assign or otherwise dispose of any of its Material Assets, whether now owned or held or hereafter acquired, or enter into any sale-leaseback transaction with respect to such Material Assets (collectively, a " **Disposition** "), except for:

(a) sales of inventory;

(b) Dispositions permitted under Section 10.2;

(c) sales in the ordinary course of business of obsolete or redundant equipment or equipment of no further use in the business of the Company or a Subsidiary Guarantor, unless a Default or an Event of Default has occurred and is continuing or would result therefrom;

(d) Dispositions by the Company to a Subsidiary Guarantor or by a Subsidiary Guarantor to the Company or another Subsidiary Guarantor, other than, subject to clause (b) above and clause (f) below, any Disposition of the Goldex Mine, the Lapa Mine, the LaRonde Mine or the Meadowbank Mine, or any part thereof;

(e) Dispositions at arm's-length and for fair market value, to the extent that the net proceeds of any such Disposition, in excess of amounts permitted under clause (f) below, are applied within 365 days from the date of such Disposition to either (i) purchase assets to be used in the business of the Company or any Subsidiary Guarantor or (ii) repay unsubordinated Indebtedness of the Company or any Subsidiary Guarantor (other than Indebtedness between or among the Company and any Subsidiary), provided that, in the case of any such repayment of Indebtedness, the Company shall in accordance with Section 8.5 offer to prepay the Notes *pro rata* with all other Indebtedness then being repaid, such *pro rata* portion of the Notes to be offered to be repaid to be calculated by multiplying (x) the total amount of net proceeds being applied pursuant to this clause (ii) by (y) a fraction, the numerator of which is the aggregate principal amount of Notes then outstanding and the denominator of which is the aggregate principal amount of Indebtedness (including the Notes) that would receive any portion of such repayment (calculated prior to such repayment); and

(f) Dispositions which would otherwise not be permitted by clauses (a) through (e) above, provided that such Dispositions are at arm's-length and for fair market value, and the aggregate book value of the Material Assets subject to all such Dispositions pursuant to this clause (f) during any fiscal year of the Company does not exceed 5% of Consolidated Total Assets as of the end of the immediately preceding fiscal year.

Any Disposition of shares of common stock of any Subsidiary Guarantor shall, for purposes of this Section 10.7, be valued at an amount that bears the same proportion to the total assets of such Subsidiary Guarantor as the number of such shares of common stock bears to the total number of shares of common stock of such Subsidiary Guarantor.

11. EVENTS OF DEFAULT.

An " **Event of Default** " shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount (if any) or Modified Make-Whole Amount (if any) on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note or any amount payable pursuant to Section 13 for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Section 7.1(d), Section 9.9 or Section 9.10; or

(d) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)) and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 11(d)); or

(e) any representation or warranty made in writing by or on behalf of the Company or any Subsidiary Guarantor in this Agreement or any Subsidiary Guarantee or by any officer of the Company or any Subsidiary Guarantor in this Agreement or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Subsidiary Guarantor is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least U.S.$50,000,000 (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (ii) the Company or any Subsidiary Guarantor fails to pay any amount under any Derivative Instrument when due, whether at maturity, upon acceleration, demand or otherwise, in an aggregate amount of U.S.$50,000,000 or more (or the equivalent thereof in any other currency), or (iii) the Company or any Subsidiary Guarantor is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least U.S.$50,000,000 (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared (or one or more Persons are entitled to declare such Indebtedness to be), due and payable before its stated maturity or before its regularly scheduled dates of payment or (iv) as a consequence of the occurrence or continuation of any event or condition (other than (A) the passage of time, or (B) the right of the holder of Indebtedness to convert such Indebtedness into equity interests or (C) a Change of Control or a Disposition requiring any purchase or repayment of Indebtedness (or offer therefor) pursuant to Section 8.4 or 8.5, provided that the Company is in compliance with the provisions of Section 8.4 or 8.5, as the case may be), the Company or any Subsidiary Guarantor has become obligated to purchase or repay Indebtedness before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least U.S.$50,000,000 (or its equivalent in the relevant currency of payment); or

(g) the Company or any Subsidiary Guarantor (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief from creditors or reorganization or arrangement of its debt generally or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction in respect of creditors' rights, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated pursuant to a final non-appealable decision of a court of competent jurisdiction, or (vi) takes corporate action for the purpose of any of the foregoing; provided that any plan of arrangement under the *Business Corporation Act* (Ontario), the *Canada Business Corporations Act* or any analogous statute, whether foreign or domestic, consummated in compliance with Section 10.2 shall not constitute an Event of Default under this clause (g); or

(h) a court or other Governmental Authority of competent jurisdiction enters an order (which order is not stayed within 10 days pending appeal or judicial review) appointing, without consent by the Company or any Subsidiary Guarantor, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any applicable bankruptcy or insolvency law of any applicable jurisdiction, or, except in connection with a transaction permitted under Section 10.2, ordering the dissolution, winding-up or liquidation of the Company or any Subsidiary Guarantor, or any such petition shall be filed against the Company or any Subsidiary Guarantor and such petition shall not be dismissed within 60 days; or

(i) any event occurs with respect to the Company or any Subsidiary Guarantor which under the laws of any jurisdiction is analogous to any of the events described in Section 11(g) or (h), provided that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in Section 11(g) or (h); or

(j) a final judgment or judgments for the payment of money aggregating in excess of U.S.$20,000,000 (or its equivalent in the relevant currency of payment) are rendered against one or more of the Company and any Subsidiary Guarantor and which judgments are not (i) within 45 consecutive days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 45 consecutive days after the expiration of such stay or (ii) being contested by the Company or any Subsidiary Guarantor in good faith by appropriate proceedings with adequate reserves in accordance with GAAP having been set aside on its books; or

(k) property of the Company or any Subsidiary Guarantor having an aggregate value of more than U.S.$20,000,000 (or, if applicable, the equivalent thereof in other currencies) is seized or taken possession of by a creditor (or subject to other similar legal proceedings by a creditor for seizure or possession of property) (the "**Seizure**

Proceeding "), except to the extent that the Company or any Subsidiary Guarantor is diligently and in good faith contesting any such Seizure Proceeding by appropriate proceedings and such Seizure Proceeding remains undismissed or unstayed for up to 60 consecutive days; or the Company or any Subsidiary Guarantor takes any action in furtherance of, or indicates its consent to, approval of, or acquiescence in, any such Seizure Proceeding; or

(l) the Company or a Subsidiary Guarantor, as applicable, denies its obligations under this Agreement, any Note or any Subsidiary Guarantee or claims this Agreement, any Note or any Subsidiary Guarantee to be invalid or unenforceable, in whole or in part; or this Agreement, any Note or any Subsidiary Guarantee is invalidated or determined to be unenforceable by any act, regulation or action of any Governmental Authority or is determined to be invalid or unenforceable by a court or other judicial entity of competent jurisdiction and such determination has not been stayed pending appeal, except to the extent that such invalidity or unenforceability is cured within 30 consecutive days of the occurrence of such invalidity or unenforceability (unless such invalidity or unenforceability occurred as a result of a contest initiated, acquiesced in or consented to by the Company or any Subsidiary Guarantor).

12. REMEDIES ON DEFAULT, ETC.

12.1. Acceleration.

(a) If an Event of Default with respect to the Company described in Section 11(g), (h) or (i) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or (b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, without limitation, interest accrued thereon, if any, at the Default Rate) and (y) the Make-Whole Amounts determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically

provided for) and that the provision for payment of a Make-Whole Amount or Modified Make-Whole Amount, as applicable by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2. Other Remedies.

If any Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or in any Subsidiary Guarantee, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3. Rescission.

At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or (c), the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount or Modified Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Company nor any other Person shall have paid any amounts that have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 18, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4. No Waivers or Election of Remedies, Expenses, Etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof or by any Subsidiary Guarantee shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 16, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all reasonable costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. TAX INDEMNIFICATION.

All payments whatsoever under this Agreement and the Notes will be made by the Company in lawful currency of the United States of America free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction other than the United States (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a "Taxing Jurisdiction"), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Company under this Agreement or the Notes, the Company will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of this Agreement or the Notes after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of this Agreement or the Notes before the assessment of such Tax, provided that no payment of any additional amounts shall be required to be made for or on account of:

(a) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Note or the receipt of payments thereunder or in respect thereof or enforcement thereof, including, without limitation, such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, provided that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Company, after the date of the Closing, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of this Agreement or the Notes are made to, the Taxing Jurisdiction imposing the relevant Tax;

(b) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Company) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), provided that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and provided further that such holder shall be

deemed to have satisfied the requirements of this clause (b) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Company no later than 60 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any, all in the English language or with an English translation thereof);

(c) any Tax imposed on a holder of Notes obtained pursuant to Section 14.2 (other than a Purchaser), which Tax would not have been imposed but for such holder not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada), as in effect on the date hereof) with the Company at the time of the making of such payment by the Company under this Agreement or the Notes; or

(d) any combination of clauses (a), (b) and (c) above;

and provided further that in no event shall the Company be obligated to pay such additional amounts to any holder of a Note (i) not resident in the United States of America or any other jurisdiction in which an original Purchaser (for the avoidance of doubt, not including any Affiliate that is substituted and treated as a Purchaser pursuant to Section 22) is resident for tax purposes on the date of the Closing in excess of the amounts that the Company would be obligated to pay if such holder had been a resident of the United States of America or such other jurisdiction, as applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America or such other jurisdiction and the relevant Taxing Jurisdiction or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and the Company shall have given timely notice of such law or interpretation to such holder.

By acceptance of any Note, the holder of such Note agrees, subject to the limitations of clause (b) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Company all such forms, certificates, documents and returns provided to such holder by the Company (collectively, together with instructions for completing the same, " **Forms** ") required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of a tax treaty between the United States and such Taxing Jurisdiction and (y) provide the Company with such information with respect to such holder as the Company may reasonably request in order to complete any such Forms, provided that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided further that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Company or mailed to the appropriate taxing authority, whichever is applicable, within 60 days following a written request of the Company (which request shall be accompanied by copies of such Form and English translations of any such Form not in the English language) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

On or before the date of the Closing the Company will furnish each Purchaser with copies of the appropriate Form (and English translation if required as aforesaid) currently required to be filed in Canada pursuant to clause (b) of the first paragraph of this Section 13, if any, and in connection with the transfer of any Note the Company will furnish the transferee of such Note with copies of any Form and English translation then required.

If any payment is made by the Company to or for the account of the holder of any Note after deduction for or on account of any Taxes, and increased payments are made by the Company pursuant to this Section 13, then, if such holder at its sole discretion determines that it has received or been granted a refund of such Taxes from the Taxing Jurisdiction to which such Tax was paid, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the Company such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (b) above) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

The Company will furnish the holders of Notes, promptly and in any event within 60 days after the date of any payment by the Company of any Tax in respect of any amounts paid under this Agreement or the Notes, the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of the Company, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

If the Company is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the Company would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any Note, and such holder pays such liability, then the Company will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the Company) upon demand by such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If the Company makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable from the Taxing Jurisdiction to which such Tax was paid, upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the Company (which shall specify in reasonable detail and supply the refund forms to be

filed) use reasonable efforts to complete and deliver such refund forms to or as directed by the Company, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Company under this Section 13 shall survive the payment or transfer of any Note and the provisions of this Section 13 shall also apply to successive transferees of the Notes.

14. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

14.1. Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. If any holder of one or more Notes is a nominee, then the name and address of the beneficial owner of such Note or Notes shall also be registered in such register as an owner and holder thereof; provided that such nominee advises the Company that it is a nominee and provides the Company with the name and address of the beneficial owner of each such Note. Prior to due presentment for registration of transfer, the Person(s) in whose name any Note(s) shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

14.2. Transfer and Exchange of Notes.

(a) Upon surrender of any Note to the Company at the address and to the attention of the designated officer (all as specified in Section 19) for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other details for notices of each transferee of such Note or part thereof), within ten Business Days thereafter the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes of the same series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1-A or 1-B, as applicable. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than U.S.$100,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than U.S.$100,000.

(b) Without limiting the foregoing clause (a), each Purchaser and each subsequent holder of any Note severally agrees that it will not, directly or indirectly, resell any Note purchased by it to a Person that is a Competitor. The Company shall not be required to recognize any sale or other transfer of a Note to a Competitor and no such transfer shall confer any rights hereunder upon such transferee.

14.3. Replacement of Notes.

Upon receipt by the Company at the address and to the attention of the designated officer (all as specified in Section 19) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least U.S.$100,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

15. PAYMENTS ON NOTES.

15.1. Place of Payment.

Subject to Section 15.2, payments of principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of Bank of America, N.A. in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

15.2. Home Office Payment.

So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 15.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount or Modified Make-Whole Amount, if any, interest and all other amounts, if any, becoming due hereunder by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or

surrender of such Note or the making of any notation thereon, except that promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation to the Company at its principal executive office in Canada or at the place of payment most recently designated by the Company pursuant to Section 15.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 14.2. The Company will afford the benefits of this Section 15.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 15.2.

16. EXPENSES, ETC.

16.1. Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all properly documented out-of-pocket costs and expenses (including reasonable attorneys' fees of a single set of special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, any Subsidiary Guarantee or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, any Subsidiary Guarantee or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, any Subsidiary Guarantee or the Notes, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary Guarantor or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes and (c) the properly documented out-of-pocket costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO, provided that such costs and expenses under this clause (c) shall not exceed U.S.$3,300. The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes).

16.2. Certain Taxes.

The Company agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement and any Subsidiary Guarantee or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in the United States or Canada or any jurisdiction in which a Subsidiary Guarantor is organized, or of any amendment of, or waiver or consent under or with respect to, this Agreement, any Subsidiary Guarantee or of any of the Notes, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the

Company pursuant to this Section 16, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Company hereunder or by any Subsidiary Guarantor under any Subsidiary Guarantee.

16.3. Survival.

The obligations of the Company under this Section 16 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, any Subsidiary Guarantee or the Notes, and the termination of this Agreement.

17. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note (provided that it is understood that such representations and warranties were made solely as at the Closing and with respect to the relevant facts and circumstances in existence as at the date of Closing and nothing in this Agreement shall be deemed, interpreted or construed in any way with respect to the Company making such representations and warranties as at any other day), regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between each Purchaser and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

18. AMENDMENT AND WAIVER.

18.1. Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes or any Subsidiary Guarantee may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 22, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount or Modified Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend Section 8, 11(a), 11(b), 12, 13, 18, 21 or 23.9.

18.2. Solicitation of Holders of Notes.

(a) Solicitation . The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes or of any Subsidiary Guarantee. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 18 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment . The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or of any Subsidiary Guarantee unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

(c) Consent in Contemplation of Transfer . Any consent made pursuant to this Section 18.2 by the holder of any Note that has transferred or has agreed to transfer such Note to the Company, any Subsidiary, any Affiliate of the Company, any Associate of the Company or Person of which the Company is an Associate, and has provided or has agreed to provide such written consent as a condition to such transfer shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such transferring holder.

18.3. Binding Effect, Etc.

Any amendment or waiver consented to as provided in this Section 18 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder, under any Note or any Subsidiary Guarantee shall operate as a waiver of any rights of any holder of such Note. As used herein, the term “this Agreement” and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

18.4. Notes Held by Company, Etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company, any of its Affiliates, any of its Associates or any Person of which it is an Associate shall be deemed not to be outstanding.

19. NOTICES.

All notices and communications provided for hereunder shall be in writing, at the option of the sender if a recipient's electronic mail address has been provided herein, may be by way of electronic mail. Alternatively, notices and communications may be sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by an air express delivery service (charges prepaid), or (b) by an air express delivery service (with charges prepaid). Any such notice must be sent:

(i) if to a Purchaser or its nominee, to such Purchaser or nominee at the e-mail address specified for such communications in Schedule A, or at such other address as such Purchaser or nominee shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at the e-mail address or such other address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at the following e-mail address pdatta@agnico-eagle.com, or at its address set forth at the beginning hereof to the attention of Picklu Datta, Vice-President, Treasurer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Unless otherwise prescribed, (a) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (b) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (a) of notification that such notice or communication is available and identifying the website address therefor.

Any other notice, request, demand or other communication shall be deemed to have been received by the party to whom it is addressed (a) upon receipt by the addressee (or refusal thereof), in the case of prepaid overnight courier or physical delivery, (b) three Business Days after delivery in the mail, if sent by prepaid registered mail, and (c) on the day of transmission, if faxed before 5:00 p.m. (recipient's time) on a Business Day, and on the next

Business Day following transmission, if faxed after 5:00 p.m. (recipient's time) on a Business Day; provided that, any notice to the Company shall be deemed to be notice to all Subsidiary Guarantors. If normal postal or fax service is interrupted by strike, work slow-down or other cause, the party sending the notice shall use such services which have not been interrupted or shall deliver such notice by messenger in order to ensure its prompt receipt by the other party.

All notices related to any Default, Event of Default, acceleration or prepayment shall, in addition to delivery by electronic mail, be sent by physical delivery.

Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Agreement shall be in English or accompanied by an English translation thereof.

This Agreement, the Notes and the Subsidiary Guarantees have been prepared and signed in English and the parties hereto agree that the English version hereof and thereof (to the maximum extent permitted by applicable law) shall be the only version valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language hereof or thereof, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in any jurisdiction in respect hereof or thereof.

20. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto (except the Notes themselves), including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing, and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 20 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

21. CONFIDENTIAL INFORMATION.

For the purposes of this Section 21, "Confidential Information" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary Guarantor in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary Guarantor, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such

disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary Guarantor or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, trustees, officers and employees (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes and the Persons to whom such delivery or disclosure is made are aware of the confidential nature of such Confidential Information and have been instructed to keep such Confidential Information confidential), (iii) its auditors, financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 21 for the benefit of the Company and its Subsidiaries, (iv) any other holder of any Note, (v) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21 for the benefit of the Company and its Subsidiaries), (vi) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21 for the benefit of the Company and its Subsidiaries), (vii) any federal or state regulatory authority having jurisdiction over such Purchaser, (viii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (ix) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed, on behalf of itself and on behalf of any beneficial holder for whom it is acting, to be bound by this Section 21 for the benefit of the Company and its Subsidiaries, and to be entitled to the benefits of this Section 21, as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder (including any beneficial holder) of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 21.

The Company hereby notifies each Purchaser and each subsequent holder (in each case, including any beneficial holder) of any Note that such Purchaser or holder may be considered a person or company in a special relationship with the Company within the meaning of the *Securities Act* (Ontario) and that, as such, to the extent that such Purchaser or holder acquires knowledge in its capacity as a Purchaser or as a holder of Notes of a material fact or

material change with respect to the Company that has not been generally disclosed, any purchase or sale of the securities of the Company or the disclosure to others of such material fact or material change is prohibited except where an exemption is available under applicable Canadian securities legislation or where such purchase, sale or disclosure is not otherwise prohibited by Canadian securities legislation.

22. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 22), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 22), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

23. MISCELLANEOUS.

23.1. Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

23.2. Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.7 that notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make-Whole Amount or Modified Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

23.3. Accounting Matters.

(a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, all computations made pursuant to this Agreement shall be made in accordance with GAAP, and all financial statements shall be prepared in accordance with GAAP.

(b) For purposes of determining compliance with the financial covenants contained in this Agreement, any election by the Company or any Subsidiary to measure an item of Indebtedness using fair value (as permitted by Statement of Financial Accounting Standards No. 159, International Accounting Standard 39 or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

23.4. Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

23.5. Construction, Etc.

(a) Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

(b) For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

(c) Any certificate or other writing delivered by an officer of the Company or any Subsidiary Guarantor pursuant to this Agreement or any Subsidiary Guarantee shall be provided by each such officer without personal liability, solely in his or her capacity as an officer of the Company or a Subsidiary Guarantor, as applicable.

(d) To the extent that this Agreement or any Note is enforced in the Province of Ontario, for purposes of the *Interest Act* (Canada): (i) whenever any interest or fee under this Agreement or any Note is calculated using a rate based on a number of days less than a full year, such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by the number of days comprising such calculation basis; (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement or any

Note; and (iii) the rates of interest stipulated in this Agreement and the Notes are intended to be nominal rates and not effective rates or yields.

23.6. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

23.7. Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

23.8. Jurisdiction and Process; Waiver of Jury Trial.

(a) The Company irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, the Company irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) The Company agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 23.8(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the United States of America or the State of New York (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) The Company consents to process being served by or on behalf of any holder of a Note in any suit, action or proceeding of the nature referred to in Section 23.8(a) by mailing a copy thereof by registered or certified or priority mail, postage prepaid, return receipt requested, or delivering a copy thereof in the manner for delivery of notices specified in Section 19, to the Process Agent, as its agent for the purpose of accepting service of any process in the United States. The Company agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(d) Nothing in this Section 23.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against the Company in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(e) The Company hereby irrevocably appoints the Process Agent to receive for it, and on its behalf, service of process in the United States.

(f) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

23.9. Obligation to Make Payment in U.S. Dollars.

Any payment on account of an amount that is payable hereunder or under the Notes in U.S. Dollars which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the obligation of the Company under this Agreement or the Notes only to the extent of the amount of U.S. Dollars which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of U.S. Dollars that could be so purchased is less than the amount of U.S. Dollars originally due to such holder, the Company agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term “London Banking Day” shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Company, whereupon this Agreement shall become a binding agreement between you and the Company.

Very truly yours,

AGNICO-EAGLE MINES LIMITED

By: ***"Picklu Datta"***
Name: Picklu Datta
Title: Vice-President and Treasurer

This Agreement is hereby accepted and agreed to as of the date hereof.

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: ***"Timothy S. Collins"***
Name: Timothy S. Collins
Title: Authorized Representative

NORTHWESTERN LONG TERM CARE INSURANCE COMPANY

By *:* ***"Timothy S. Collins"***
Name: Timothy S. Collins
Title: Authorized Representative

This Agreement is hereby accepted and agreed to as of the date hereof.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
By: Delaware Investment Advisers, a series of Delaware
Management Business Trust, Attorney-in-Fact

By: ***"Nicole Tullo"***
Name: Nicole Tullo
Title: Vice President

LINCOLN LIFE & ANNUITY COMPANY OF NEW YORK
By: Delaware Investment Advisers, a series of Delaware
Management Business Trust, Attorney-in-Fact

By: ***"Nicole Tullo"***
Name: Nicole Tullo
Title: Vice President

This Agreement is hereby accepted and agreed to as of the date hereof.

NEW YORK LIFE INSURANCE COMPANY

By: ***"Kathleen A. Haberkern"***
Name: Kathleen A. Haberkern
Title: Corporate Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
By: New York Life Insurance Management LLC, its Investment Manager

By: ***"Kathleen A. Haberkern"***
Name: Kathleen A. Haberkern
Title: Director

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT (BOLI 30C)
By: New York Life Insurance Management LLC, its Investment Manager

By: ***"Kathleen A. Haberkern"***
Name: Kathleen A. Haberkern
Title: Director

This Agreement is hereby accepted and agreed to as of the date hereof.

ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA

By: ***"Brian F. Landry"***
Name: Brian F. Landry
Title: Assistant Treasurer

This Agreement is hereby accepted and agreed to as of the date hereof.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY
By: Babson Capital Management LLC as Investment Adviser

By: ***"Elisabeth A. Pereniak"***
Name: Elisabeth A. Pereniak
Title: Managing Director

This Agreement is hereby accepted and agreed to as of the date hereof.

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: ***"Barry Scheinholtz"***
Name: Barry Scheinholtz
Title: Senior Director, Private Placements

This Agreement is hereby accepted and agreed to as of the date hereof.

UNUM LIFE INSURANCE COMPANY OF AMERICA
By: Provident Investment Management, LLC
Its: Agent

By: ***"Ben S. Miller"***
Name: Ben S. Miller
Title: Managing Director

FIRST UNUM LIFE INSURANCE COMPANY
By: Provident Investment Management, LLC
Its: Agent

By: ***"Ben S. Miller"***
Name: Ben S. Miller
Title: Managing Director

This Agreement is hereby accepted and agreed to as of the date hereof.

AMERICAN EQUITY INVESTMENT LIFE INSURANCE COMPANY

By: ***"Jeffrey A. Fossell"***
Name: Jeffrey A. Fossell
Title: Authorized Signatory

SCHEDULE A

INFORMATION RELATING TO PURCHASERS

Redacted to omit detailed purchaser personal information.

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

" **Affiliate** " means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, " *Control* " means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

" **Anti-Money Laundering Laws** " is defined in Section 5.16(c).

" **Associate** " means, where used to indicate a relationship with any Person, (a) any corporate or other business entity of which the Person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such entity for the time being outstanding, (b) any partner of that Person, (c) any trust or estate in which the Person has a substantial beneficial interest or as to which the Person serves as trustee or in a similar capacity, (d) any relative of the Person, including the Person's spouse, where the relative has the same home as the Person, or (e) any relative of the spouse of the Person where the relative has the same home as the Person.

" **Blocked Person** " is defined in Section 5.16(a).

" **Business Day** " means (a) for the purposes of Section 8.9 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized by applicable law to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York or Toronto, Ontario are required or authorized by applicable law to be closed.

" **Canadian Dollars** " means lawful money of Canada.

" **Capital Lease** " means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

" **Capital Lease Obligations** " means, as to any Person, an obligation of such Person to pay rent or other amounts under a Capital Lease and the amount of such obligation shall be the capitalized amount thereof, determined in accordance with GAAP.

" **Capital Reorganization** " means any change in the issued and outstanding Equity Interests of a Person involving the reclassification of such Equity Interests or the conversion of such Equity Interests into, or exchange of such Equity Interests for, cash, securities or other property.

" **Cash Equivalents** " means, as of the date of any determination thereof, instruments of the following types:

(a) obligations of, or unconditionally guaranteed by, the governments of Canada or the United States, or any agency of either of them backed by the full faith and credit of the governments of Canada or the United States, respectively, maturing not more than one year from the date of acquisition;

(b) marketable direct obligations of the governments of one of the provinces of Canada, one of the states of the United States, or any agency thereof, or of any county, department, municipality or other political subdivision of Canada or the United States, the payment or guarantee of which constitutes a full faith and credit obligation of such province, state, municipality or other political subdivision, which matures not more than one year from the date of acquisition and which, at the time of acquisition, is accorded a short-term credit rating of at least A-1 by Standard & Poor's, at least P-1 by Moody's or at least R-1(middle) by DBRS;

(c) commercial paper, bonds, notes, debentures and bankers' acceptances issued by a Person residing in Canada or the United States and not referred to in clauses (a) or (b) above or clause (d) below, and maturing not more than one year from the date of issuance which, at the time of acquisition, is accorded a short-term credit rating of at least A-1 by Standard & Poor's, at least P-1 by Moody's or at least R-1(middle) by DBRS, and, in respect of Canadian asset-backed commercial paper that is based on a DBRS rating, provided that such asset-backed commercial paper is issued by a Person appearing on the list of "Global Liquidity Standard for ABCP Issuers" published and maintained by DBRS (for so long as such list is in existence and is continually being updated);

(d) (i) certificates of deposit maturing not more than one year from the date of issuance thereof, issued by a bank or trust company organized under the laws of the United States, any state thereof, or Canada or any province thereof or (ii) Principal Currency certificates of deposit maturing not more than one year from the date of acquisition and issued by a bank in a Principal Jurisdiction; in all cases having capital, surplus and undivided profits aggregating at least U.S.$500,000,000 (or the equivalent thereof in Canadian Dollars or in the currency of such Principal Jurisdiction) and whose short-term credit rating is, at the time of acquisition, accorded a short-term credit rating of at least A-1 by Standard & Poor's, at least P-1 by Moody's or at least R-1(middle) by DBRS;

(e) any repurchase agreement having a term of 30 days or less entered into with any Person satisfying the criteria set forth in clause (d) above, which is secured by a fully perfected security interest in any obligation of the type described in clauses (a) or

(b) above and has a market value at the time such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such commercial banking institution thereunder; and

(f) investments in any security issued by an investment company registered under section 8 of the United States Investment Company Act of 1940 (15 U.S.C. 80a-8) that is a money market fund in compliance with all applicable requirements of SEC Rule 2a-7 (17 CFR 270.2a-7).

" **Change of Control** " means (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 favor 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.

" **Closing** " is defined in Section 3.

" **Code** " means the United States Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

" **Company** " is defined in the first paragraph of this Agreement.

" **Competitor** " means any Person (other than the Company or any Subsidiary) that is engaged in any aspect of the Core Business and/or other activities reasonably related thereto, provided that:

(a) the provision of investment advisory services by an Institutional Investor to a Plan or Non-U.S. Plan which is owned or controlled by a Person which would otherwise be a Competitor shall not of itself cause the Institutional Investor providing such services to be deemed to be a Competitor if such Institutional Investor has established procedures which will prevent confidential information supplied to such Institutional Investor by the Company or its Subsidiaries from being transmitted or otherwise made available to such Plan or Non-U.S. Plan or the Person owning or controlling such Plan or Non-U.S. Plan; and

(b) in no event shall an Institutional Investor which maintains passive investments in any Person which is a Competitor be deemed a Competitor if such

Institutional Investor has established procedures which will prevent Confidential Information supplied to such Institutional Investor by the Company or its Subsidiaries from being transmitted or otherwise made available to a Competitor, it being agreed that the normal administration of the investment and enforcement thereof shall be deemed not to cause such Institutional Investor to be a Competitor.

" **Confidential Information** " is defined in Section 21.

" **Consolidated Hedging Exposure** " means the aggregate of all amounts that would be payable to all Persons by the Company and its Subsidiaries or to the Company and its Subsidiaries, on the date of determination, taking into account all legally enforceable netting arrangements, pursuant to each ISDA Master Agreement between the Company and each such Person and each Subsidiary and each such Person, as if all Derivative Instruments under such ISDA Master Agreements were being terminated on that day.

" **Consolidated Total Assets** " means, as of any date, the total assets of the Company and the Subsidiary Guarantors as of such date, as determined in accordance with GAAP.

" **Constating Documents** " means, with respect to any Person, its articles or certificate of incorporation, amendment, amalgamation, continuance or association, memorandum of association, declaration of trust, partnership agreement, limited liability company agreement or other similar document, as applicable, and all unanimous shareholder agreements, other shareholder agreements, voting trust agreements and similar arrangements applicable to the Person's Equity Interests which bind such Person, and by-laws, all as amended, supplemented, restated or replaced from time to time.

" **Controlled Entity** " means any Person Controlled by the Company. As used in this definition, " *Control* " means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

" **Core Business** " means the development, construction and operation of mining properties and any operation relating to mining, including the manufacturing, processing or refining of products produced from mining operations and properties, and the sale of products produced from or in connection with mining operations and properties, and the financing related thereto.

" **DBRS** " means DBRS Ltd., together with any relevant local affiliates thereof and any successor to any of the foregoing.

" **Default** " means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

" **Default Rate** " means, with respect to any Note, that rate of interest that is the greater of (i) 2.0% per annum above the rate of interest stated in clause (a) of the first paragraph

of such Note and (ii) 2.0% over the rate of interest publicly announced by Bank of America, N.A. in New York, New York as its "base" or "prime" rate.

" **Derivative Instrument** " means an agreement entered into from time to time by a Person in order to control, fix or regulate currency exchange, commodity price or interest rate fluctuations, including a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions and any combination of these transactions).

" **Disclosure Documents** " is defined in Section 5.3.

" **Disposition** " is defined in Section 10.7.

" **EBITDA** " means, for any period, on a consolidated basis, an amount equal to the Company's revenue from the sale of product from mines, less : (a) onsite and offsite cash operating costs for such period; (b) cash general and administrative expenses for such period; (c) cash capital taxes for such period; and (d) cash reclamation expenditures for such period; each component of which is to be calculated in accordance with GAAP consistently applied.

" **Environmental Laws** " means any and all applicable Federal, state, local, and foreign statutes, laws, regulations, ordinances, and binding rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

" **Equity Interests** " means, with respect to any Person, all shares, interests, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the Person's equity or capital, however designated, whether voting or non voting, whether now outstanding or issued after the date of Closing, together with warrants, options or other rights to acquire any such equity interests of such Person and securities convertible into or exchangeable for any such equity interests of such Person.

" **ERISA** " means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

" **ERISA Affiliate** " means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

" **Event of Default** " is defined in Section 11.

" **GAAP** " means generally accepted accounting principles (including International Financial Reporting Standards, as applicable if and only to the extent adopted by the Company) as in effect from time to time in the United States.

" **Goldex Mine** " means the Goldex mining operations and property owned directly or indirectly by the Company or a Subsidiary and located in or around the City of Vald'Or, Quebec, as presently constituted and as the same may be developed or expanded from time to time, and any replacements, substitutions and modifications thereof permitted hereunder, together with all easements, rights of way, rights, titles or interests of every kind and description which the Company or a Subsidiary has rights to, or otherwise owns or controls, relating to or acquired in connection with such operations, properties and claims.

" **Governmental Authority** " means

(a) the government of

(i) the United States of America or Canada or any State, Province or other political subdivision of either thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary Guarantor conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary Guarantor, or

(b) any entity of or within the jurisdictions referenced in clauses (i) or (ii) above exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

" **Guaranty** " means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

" **Hazardous Materials** " means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to human health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which, in each case, is or shall be restricted, prohibited or penalized by any Environmental Law, including, without limitation, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

" **holder** " means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 14.1; provided , however, that if such Person is a nominee, then for the purposes of Sections 7, 12, 18.2 and 19 and any related definitions in this Schedule B, "holder" shall mean the beneficial owner of such Note whose name and address appears in such register.

" **Indebtedness** " means, with respect to a Person, without duplication, the aggregate of the following amounts, each calculated in accordance with GAAP, unless the context otherwise requires:

(a) all obligations that would be considered to be indebtedness for borrowed money (including, without limitation, by way of overdraft and drafts or orders accepted representing extensions of credit), and all obligations (whether or not with respect to the borrowing of money) that are evidenced by bonds, debentures, notes or other similar instruments;

(b) reimbursement obligations under bankers' acceptances and contingent obligations of such Person in respect of any letter of credit, letters of guarantee, bank guarantee, surety bond, performance bond and similar instruments;

(c) all liabilities upon which interest charges are paid or are customarily paid by that Person;

(d) any Equity Interests of that Person (or of any Subsidiary of that Person) which Equity Interests, by their terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, prior to the maturity date of the Series B Notes, for cash or securities constituting Indebtedness (read without reference to this clause (d)) unless the issuer of such Equity Interests has by the terms of such Equity Interests the option of repaying such amounts or retiring or exchanging such Equity Interests with Equity Interests not convertible or exchangeable or redeemable for Indebtedness (read without reference to this clause (d));

(e) all Capital Lease Obligations, obligations under Synthetic Leases, obligations under sale and leaseback transactions (unless the lease component of the sale and leaseback transaction is an operating lease) and indebtedness under arrangements

relating to purchase money liens and other obligations in respect of the deferred purchase price of property and services; and

(f) the amount of the contingent obligations under any Guaranty (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) or other agreement assuring payment of any obligation in any manner of any part or all of an obligation of another Person of the type included in clauses (a) through (e) above;

other than trade payables incurred in the ordinary course of business and payable in accordance with customary practices.

" **Institutional Investor** " means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

" **ISDA Master Agreement** " means the 1992 ISDA Master Agreement (Multi-Currency - Cross Border) or the 2002 ISDA Master Agreement, each as published by the International Swaps and Derivatives Association, Inc. and, where the context permits or requires, includes all schedules, supplements, annexes and confirmations attached thereto or incorporated therein, as such agreement may be amended, supplemented or replaced from time to time.

" **Kittila Mine** " means the Kittila mining operations and property owned directly or indirectly by the Company or a Subsidiary and located in or around Kittila, Finland, as presently constituted and as the same may be developed or expanded from time to time, and any replacements, substitutions and modifications thereof permitted hereunder, together with all easements, rights of way, rights, titles or interests of every kind and description which the Company or a Subsidiary has rights to, or otherwise owns or controls, relating to or acquired in connection with such operations, properties and claims.

" **Lapa Mine** " means the Company's Lapa mining operations and property owned directly or indirectly by the Company or a Subsidiary and located approximately 11 kilometers east of the LaRonde Mine, as presently constituted and as the same may be developed or expanded from time to time, and any replacements, substitutions and modifications thereof permitted hereunder, together with all easements, rights of way, rights, titles or interests of every kind and description which the Company or a Subsidiary has rights to, or otherwise owns or controls, relating to or acquired in connection with such operations, properties and claims.

" **LaRonde Mine** " means the LaRonde mining operations and property owned directly or indirectly by the Company or a Subsidiary and located in or around Cadillac and Bousquet, Quebec, as presently constituted and as the same may be developed or expanded from time to time, and any replacements, substitutions and modifications thereof permitted hereunder, together with all easements, rights of way, rights, titles or interests of every kind and description

which the Company or a Subsidiary has rights to, or otherwise owns or controls, relating to or acquired in connection with such operations, properties and claims.

" **Lien** " means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

" **Major Credit Facility** " means (a) the U.S.$1,200,000,000 Second Amended and Restated Credit Agreement, dated as of August 4, 2011, among the Company, as borrower, the guarantors party thereto from time to time, the lenders party thereto from time to time and The Bank of Nova Scotia, as administrative agent, together with any agreement(s) renewing, refinancing, refunding or replacing the foregoing, and as any of the foregoing may be amended, restated, supplemented or otherwise modified from time to time and (b) at any time that any agreement described in clause (a) above ceases to be outstanding, any other primary bank lending agreement(s) or facilit(y/ies) of the Company and its Subsidiaries as a whole.

" **Make-Whole Amount** " is defined in Section 8.9.

" **Material** " means material in relation to the business, operations, affairs, financial condition, assets, properties or prospects of the Company and its Subsidiaries taken as a whole.

" **Material Adverse Effect** " means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, or (b) the ability of the Company and the Subsidiary Guarantors, taken as a whole, to perform their respective obligations under this Agreement, the Notes or any Subsidiary Guarantee (as applicable), or (c) the validity or enforceability of this Agreement, the Notes or any Subsidiary Guarantee.

" **Material Assets** " means (a) the Mines and all other present and after-acquired property and assets used in connection with or relating to the Mines or any other operating mine, development stage mine project or facility for the extraction or processing of ore (including all corresponding underground and surface facilities and infrastructure and all related plant, buildings, fixtures, equipment, chattels and machinery), whether situate on or off such mine, development stage mine project or facility, and all replacements, substitutions and additions thereto and (b) the Subsidiary Guarantors.

" **Meadowbank Mine** " means the Meadowbank mine development project and the related mining operations and property owned directly or indirectly by the Company or a Subsidiary and located in or around the Kivalliq district of Nunavut, as presently constituted and as the same may be developed or expanded from time to time, and any replacements, substitutions and modifications thereof permitted hereunder, together with all easements, rights of way, rights, titles or interests of every kind and description which the Company or a

Subsidiary has rights to, or otherwise owns or controls, relating to or acquired in connection with such operations, properties and claims.

" **Mexican Pledge** " means the pledge by Tenedora Agnico Eagle Mexico S.A. de C.V. of the common shares of Agnico Eagle Mexico, S.A. de C.V. to Agnico-Eagle Mines Mexico Cooperatie U.A. to secure an interest-bearing loan made by Agnico-Eagle Mines Mexico Cooperatie U.A. to Agnico Eagle Mexico, S.A. de C.V.

" **Mines** " means the Goldex Mine, the Kittila Mine, the LaRonde Mine, the Lapa Mine, the Meadowbank Mine and the Pinos Altos Mine.

" **Modified Make-Whole Amount** " is defined in Section 8.9.

" **Moody's** " means Moody's Investors Service, Inc., together with any relevant local affiliates thereof and any successor to any of the foregoing.

" **NAIC** " means the National Association of Insurance Commissioners or any successor thereto.

" **Non-U.S. Plan** " means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by the Company or any Subsidiary primarily for the benefit of employees of the Company or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

" **Note Purchase Facility** " means (a) the Note Purchase Agreement between the Company and the purchasers party thereto dated as of April 7, 2010, (b) this Agreement and (c) any other note purchase agreement or similar such agreement entered into by the Company that is similar in form and substance to this Agreement, each as may be amended, restated, supplemented or otherwise modified from time to time.

" **Notes** " is defined in Section 1.

" **OFAC** " is defined in Section 5.16(a).

" **OFAC Listed Person** " is defined in Section 5.16(a).

" **OFAC Sanctions Program** " means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.ustreas.gov/offices/enforcement/ofac/programs/.

" **Officer's Certificate** " means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

" **Other Supported Agreements** " means all agreements or arrangements (including Guaranties) entered into or made from time to time by the Company or any Subsidiary Guarantor in connection with (a) cash consolidation, cash management and electronic funds transfer arrangements between the Company or any Subsidiary Guarantor and any lender or an Affiliate of a lender under a Major Credit Facility and (b) doré purchase agreements between the Company or any Subsidiary Guarantor and any lender or an Affiliate of a lender under a Major Credit Facility.

" **Other Supported Obligations** " means all obligations of the Company or any Subsidiary Guarantor to any Other Supported Party under or in connection with the Other Supported Agreements and all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Company or any Subsidiary Guarantor to any Other Supported Party in any currency or remaining unpaid by the Company or any Subsidiary Guarantor to any Other Supported Party in any currency under or in connection with the Other Supported Agreements, whether arising from dealings between any Other Supported Party and the Company or any Subsidiary Guarantor or from any other dealings or proceedings by which any Other Supported Party may be or become in any manner whatever creditors of the Company or any Subsidiary Guarantor under or in connection with the Other Supported Agreements, and wherever incurred, and whether incurred by the Company or any Subsidiary Guarantor alone or with another or others and whether as principal or surety, and all interest, fees, commissions, legal and other costs, charges and expenses.

" **Other Supported Party** " means, at any time, an agent or a lender or an Affiliate of an agent or a lender under a Major Credit Facility which at such time is a creditor under or in connection with an Other Supported Agreement.

" **Person** " means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

" **Pinos Altos Mine** " means the Pinos Altos mining operations and property owned by the Company or a Subsidiary and located in or around the municipality of Ocampo in the state of Chihuahua, Republic of Mexico, as presently constituted and as the same may be developed or expanded from time to time, and any replacements, substitutions and modifications thereof permitted hereunder, together with all easements, rights of way, rights, titles or interests of every kind and description which the Company or a Subsidiary has rights to, or otherwise owns or controls, relating to or acquired in connection with such operations, properties and claims.

" **Plan** " means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

" **Principal Currency** " means each of Canadian Dollars, U.S. Dollars, Euros, British pounds, Swiss francs and Swedish kronor.

" **Principal Jurisdiction** " means each of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

" **Process Agent** " is defined in Section 4.10.

" **property** " or " **properties** " means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

" **Purchaser** " is defined in the first paragraph of this Agreement.

" **Qualified Institutional Buyer** " means any Person who is a "qualified institutional buyer" within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

" **Related Fund** " means, with respect to any holder of any Note, any fund or entity that (a) invests in securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

" **Required Holders** " means, at any time, the holders of a majority in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company, any of its Affiliates, any of its Associates or any Person of which it is an Associate).

" **Responsible Officer** " means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

" **Securities Act** " means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

" **Senior Financial Officer** " means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

" **Series A Notes** " is defined in Section 1.

" **Series B Notes** " is defined in Section 1.

" **Shareholders' Equity** " means, at any time, the amount which would, in accordance with GAAP, be classified on the consolidated balance sheet of the Company at such time as shareholders' equity of the Company.

" **Standard & Poor's** " means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., together with any relevant local affiliates thereof and any successor to any of the foregoing.

" **Subsidiary** " means, with respect to a Person, another Person if, but only if, (a) the other Person is controlled by, (i) the first Person, or (ii) the first Person and one or more Persons each of which is controlled by the first Person, or (iii) two or more Persons each of which is controlled by the first Person; or (b) the other Person is a subsidiary of a Person that is the first Person's subsidiary. For purposes of this definition, a Person shall be deemed to be controlled by another Person or by two or more Persons if, but only if, (a) voting securities of the first Person carrying more than 50% of the votes for the election of directors are held, other than by way of security only, by or for the benefit of such other Person, and (b) the votes carried by such securities are sufficient, if exercised, to elect a majority of the board of directors of the first Person. Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

" **Subsidiary Guarantee** " means a Guaranty of a Subsidiary Guarantor of the obligations of the Company under this Agreement and the Notes, substantially in the form of Exhibit 9.8 (provided that, to the extent that the provisions of Section 9.8(d) relating to a limited Subsidiary Guarantee are applicable, such form may be adjusted to provide for the relevant limitations).

" **Subsidiary Guarantee Conditions** " means, with respect to any Subsidiary Guarantee and any Subsidiary Guarantor, the delivery to the holders of the Notes of (i) a certificate signed by a director or an appropriate officer of such Subsidiary Guarantor confirming that such Subsidiary Guarantor is, and after giving such Subsidiary Guarantee will be, able to pay its debts as they become due and payable, and otherwise solvent and will not become insolvent because of it entering into such Subsidiary Guarantee or the doing of any act for the purpose of giving effect to such Subsidiary Guarantee and (ii) any agreements, certificates and/or legal opinions as may reasonably be required by, and as shall be reasonably acceptable to, the Required Holders in order to establish that the obligations of such Subsidiary Guarantor under such Subsidiary Guarantee shall rank in right of payment either *pari passu* or senior to all other senior unsecured Indebtedness of such Subsidiary Guarantor.

" **Subsidiary Guarantor** " means any Subsidiary that has executed and delivered a Subsidiary Guarantee and has not ceased to be a Subsidiary Guarantor pursuant to Section 9.8(c).

" **SVO** " means the Securities Valuation Office of the NAIC or any successor to such Office.

" **Synthetic Lease** " means, at any time, any lease (including leases that may be terminated by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for income tax purposes, other than any such lease under which such Person is the lessor.

" **Tangible Net Worth** " means, at the date of determination, the aggregate value of the Company's then stated share capital, other paid-in capital and contributed surplus (but excluding any deficit or shares of the Company held by any of its Subsidiaries) less the aggregate

value of all intangibles (including, without limitation, goodwill) all as determined on a consolidated basis in accordance with GAAP consistently applied.

" **Tax** " means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding.

" **Taxing Jurisdiction** " is defined in Section 13.

" **Total Debt** " means, at any time, all Indebtedness of the Company on a consolidated basis (which shall, for purposes of this definition, include the Consolidated Hedging Exposure owed by the Company and its Subsidiaries).

" **Total Net Debt** " means Total Debt less Unencumbered Cash.

" **Total Net Debt to EBITDA Ratio** " means, for any period, the ratio of Total Net Debt to EBITDA.

" **U.S. Dollars** " or " **U.S.$** " means lawful money of the United States of America.

" **Unencumbered Cash** " means all cash and Cash Equivalents held by the Company and its Subsidiaries in the Principal Jurisdictions that are not subject to any Lien by any Person, other than inchoate Liens which arise by statute or operation of law, in each case, on an involuntary basis. For the avoidance of doubt, any cash or Cash Equivalents held by any joint ventures that is proportionately consolidated into the Company's balance sheet shall not constitute Unencumbered Cash.

" **USA PATRIOT Act** " means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

" **Wholly-Owned Subsidiary** " means, at any time, any Subsidiary all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Subsidiaries at such time.

SCHEDULE 5.3

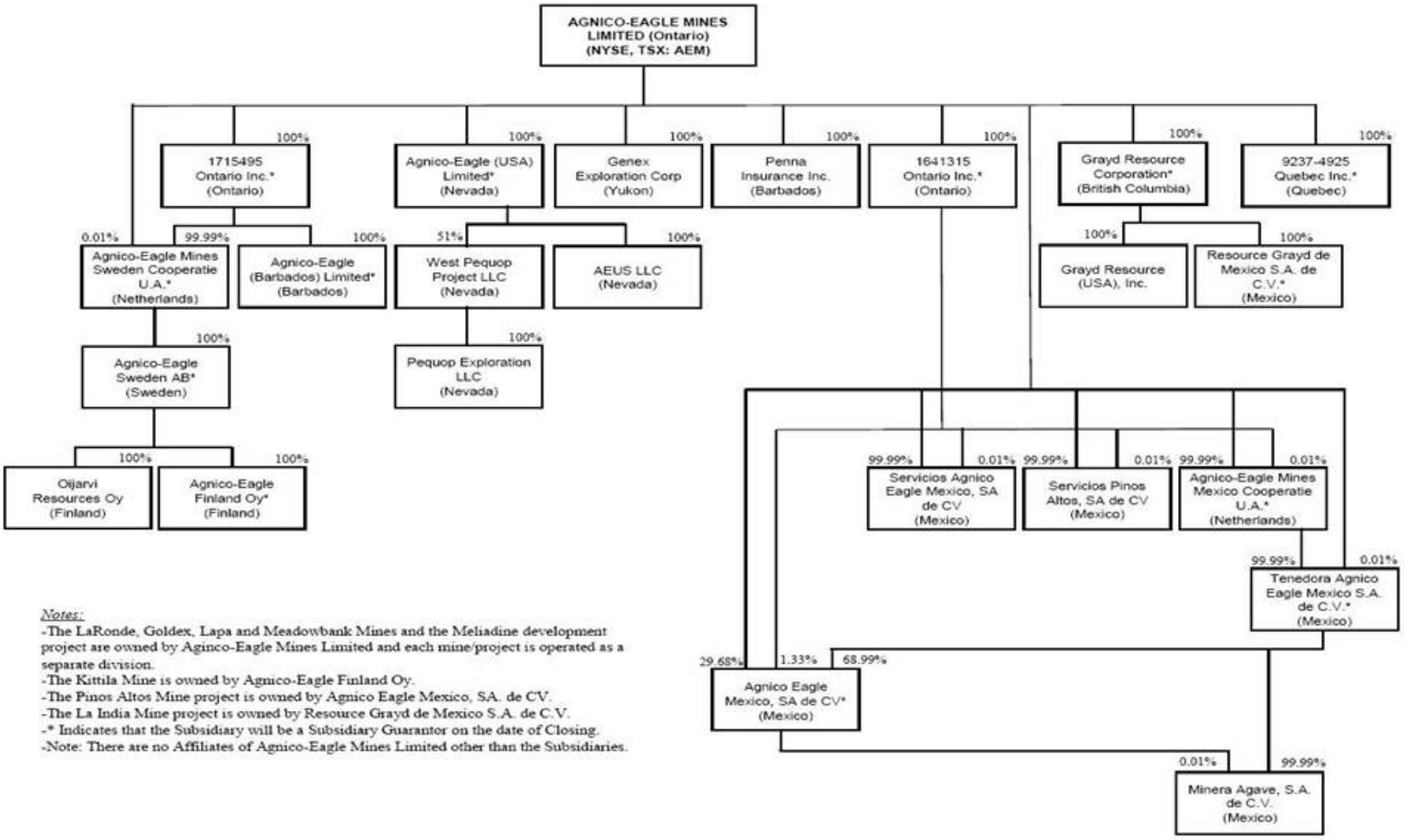
DISCLOSURE MATERIALS

1. Letter of Agnico-Eagle Mines Limited to investors dated June 12, 2012
2. Annual Report of Agnico-Eagle Mines Limited on Form 20-F for the fiscal year ended December 31, 2007
3. Annual Report of Agnico-Eagle Mines Limited on Form 20-F for the fiscal year ended December 31, 2008
4. Annual Report of Agnico-Eagle Mines Limited on Form 20-F for the fiscal year ended December 31, 2009
5. Annual Report of Agnico-Eagle Mines Limited on Form 20-F for the fiscal year ended December 31, 2010
6. Annual Report of Agnico-Eagle Mines Limited on Form 20-F for the fiscal year ended December 31, 2011
7. First Quarter Report 2012 of Agnico-Eagle Mines Limited for the fiscal quarter ended March 31, 2012
8. Agnico-Eagle Mines Limited capitalization table posted to the dataroom on June 19, 2012
9. Agnico Investor Update Presentation posted to the dataroom on June 11, 2012
10. Agnico-Eagle Mines Limited Pricing Confirmation letter dated June 26, 2012

SCHEDULE 5.4

SUBSIDIARIES OF THE COMPANY, OWNERSHIP OF SUBSIDIARY STOCK, DIRECTORS AND SENIOR OFFICERS

[Attached]



Directors and Senior Officers of Agnico-Eagle Mines Limited

Name	Title
James D. Nasso	Chairman
Sean Boyd	Vice-Chairman, President and Chief Executive Officer
Leanne M. Baker	Director
Douglas R. Beaumont	Director
Martine A. Celej	Director
Clifford J. Davis	Director
Robert J. Gemmell	Director
Bernard Kraft	Director
Mel Leiderman	Director
Sean Riley	Director
J. Merfyn Roberts	Director
Howard R. Stockford	Director
Pertti Voutilainen	Director
Donald G. Allan	Senior Vice President, Corporate Development
Alain Blackburn	Senior Vice President, Exploration
Louise Grondin	Senior Vice President, Environment and Sustainable Development
Timothy Haldane	Senior Vice President, Latin America
R. Gregory Laing	General Counsel, Senior Vice President, Legal and Corporate Secretary
Marc Legault	Senior Vice President, Project Evaluation
Jean-Luk Pellerin	Senior Vice President, Human Resources
Daniel Racine	Senior Vice President, Mining
Jean Robitaille	Senior Vice President, Technical Services and Project Development
David Smith	Senior Vice President, Strategic Planning and Investor Relations
Yvon Sylvestre	Senior Vice President, Operations

SCHEDULE 5.5

FINANCIAL STATEMENTS

Audited Consolidated Annual Financial Statements of the Company as of December 31, 2007.
Audited Consolidated Annual Financial Statements of the Company as of December 31, 2008.
Audited Consolidated Annual Financial Statements of the Company as of December 31, 2009.
Audited Consolidated Annual Financial Statements of the Company as of December 31, 2010.
Audited Consolidated Annual Financial Statements of the Company as of December 31, 2011.
Unaudited Consolidated Quarterly Financial Statements of the Company as of March 31, 2012.

SCHEDULE 5.7

REQUIRED GOVERNMENTAL AUTHORIZATIONS, ETC.

None

SCHEDULE 5.12

ERISA PLANS

1. Agnico-Eagle (USA) Limited 401(k) Profit Sharing Plan effective January 1, 2010

SCHEDULE 5.15

EXISTING INDEBTEDNESS; FUTURE LIENS

5.15 (a)

Major Credit Facility

1. The U.S.$1,200,000,000 Second Amended and Restated Credit Agreement, dated as of August 4, 2011, among Agnico-Eagle Mines Limited, as borrower, the guarantors party thereto from time to time, the lenders party thereto from time to time, The Bank of Nova Scotia, as administrative agent, The Toronto Dominion Bank, as syndication agent, Bank of Montreal, as co-documentation agent, and Canadian Imperial Bank of Commerce, as co-documentation agent.

2. Each of the Subsidiary Guarantors included in Schedule 5.4 have provided guarantees in connection with the major credit facility listed above.

Notes

3. US$115,000,000 aggregate principal amount of 6.13% Series A Senior Notes due 2017, US$360,000,000 aggregate principal amount of 6.67% Series B Senior Notes due 2020 and US$125,000,000 aggregate principal amount of 6.77% Series C Senior Notes due 2022 issued under a note purchase agreement dated as of April 7, 2010 between Agnico-Eagle Mines Limited and the purchasers thereunder.

4. Each of the Subsidiary Guarantors included in Schedule 5.4 have provided guarantees in connection with the notes listed above.

Uncommitted Letter of Credit Facility

5. The US$150,000,000 credit agreement dated as of June 26, 2012 among Agnico- Eagle Mines Limited, as borrower, the guarantors from time to time party thereto, as guarantors, and The Bank of Nova Scotia, as lender, providing for an uncommitted letter of credit facility. Note: The uncommitted letter of credit facility was established after March 31, 2012.

Other

6. Credit agreement dated January 7, 2007 between Agnico-Eagle AB and Nordea Bank Finland Plc, in an amount not to exceed €10,000,000.

7. Financial security guarantee issuance agreement dated as of June 2, 2009 between Agnico-Eagle Mines Limited and Export Development Canada.

8. Capital Lease Obligations in connection with certain Liens listed on Schedule 10.5.

9. Capital Lease Obligations of Agnico-Eagle AB Finland Branch with respect to five Cat 777F trucks, two Cat 385CL excavators and a Sleipner transportation system.

5.15(b)

nil

5.15(c)

10. The major credit facility listed above contains a negative covenant and financial covenants which restrict the ability of the Company to incur Indebtedness.

11. The note purchase agreement listed above contains financial covenants which restrict the ability of the Company to incur Indebtedness.

12. The ISDA Master Agreement dated as of May 4, 2009 between the Company and the Commonwealth Bank of Australia includes a termination event based on a breach of the financial covenants included in the major credit facility listed above.

SCHEDULE 10.5

EXISTING LIENS

Registrations Against Agnico-Eagle Mines Limited Under the Personal Property Security Act (Ontario)

Secured Party	Registration Details	Collateral
Xerox Canada Ltd. 33 Bloor St. E., 3rd Floor Toronto, ON M4W 3H1	Registration No. 20061214 1009 1462 9962 (6 years) (Ref. File No. 631424124)	Photocopy equipment
Xerox Canada Ltd. 33 Bloor St. E., 3rd Floor Toronto, ON M4W 3H1	Registration No. 20071219 1404 Photocopy equipment 1462 2799 (6 years) (Ref. File No. 641510037)	Photocopy equipment
Xerox Canada Ltd. 33 Bloor St. E., 3rd Floor Toronto, ON M4W 3H1	Registration No. 20080306 1405 . 1462 7757 (6 years) (Ref. File No. 643180194)	Photocopy equipment
The Bank of Nova Scotia 20 Queen St West, 4th Floor Toronto, ON M5H 3R3	Registration No. 20090520 1610 1532 8529 (4 years) (Ref. File No. 653561217)	Equipment/Other
The Bank of Nova Scotia 20 Queen St West, 4th Floor Toronto, ON M5H 3R3	Registration No. 20090629 1834 1532 3470 (5 years) (Ref. File No. 654546492)	Equipment/Other
HSBC Bank Canada 350-407 8 Avenue SW Calgary, AB T2P 1E5	Registration No. 20091014 1947 1531 5276 (5 years) (Ref. File No. 656949384) Amendment Registration No. 20091019 1951 1531 7429 Amendment Registration No. 20091019 1951 1531 7430 Amendment Registration No. 20091020 1451 1530 4378	1 used Toro Loader, model 1400 U/G, serial no. T7140234 1 used Toro Loader, model 50 U/G, serial number T7050325 1 used Toro Haulage Truck, model 50 U/G, serial number T8050375
HSBC Bank Canada 350-407 8 Avenue SW Calgary, AB T2P 1E5	Registration No. 20091019 1951 1531 7037 (5 years) (Ref. File No. 657033903) Amendment Registration No. 20091020 1451 1530 4377	1 O & K Orenstein & Kopp Model Excavator — incl. front shovel, mat hdler, RH120-e basic unit, 2X model number RH120 S/N 120156 Cat-Engine C18 1000 MM track pads w/o cab

Secured Party	Registration Details	Collateral
		Heating tripower shovel attachment 1 O & K Orenstein & Kopp Model bucket excavation including all accessories and attachments model number RH120 S/N X009880
Xerox Canada Ltd. 33 Bloor St. E., 3rd Floor Toronto, ON M4W 3H1	Registration No. 20101018 1706 1462 2959 (6 years) (Ref. File No. 665236395)	Photocopy equipment
Xerox Canada Ltd. 33 Bloor St. E., 3rd Floor Toronto, ON M4W 3H1	Registration No. 20101018 1706 1462 2947 (6 years) (Ref. File No. 665236278)	Photocopy equipment
Xerox Canada Ltd. 33 Bloor St. E., 3rd Floor Toronto, ON M4W 3H1	Registration No. 20110315 1424 1462 7562 (6 years) (Ref. File No. 668291949)	Photocopy equipment

Registrations Against Agnico-Eagle Mines Limited Under the British Columbia Personal Property Registry

Secured Party	Registration Details	Collateral
Caterpillar Financial Services Limited	Registered May 28, 2009 (expiry May 28, 2013) under Registration No. 991292E	Caterpillar 14M
HSBC Bank Canada	Registered October 19, 2009 (expiry October 19, 2014) under Registration No. 232114F	O&K Orenstein & Kopmodel Excavator and related equipment
HSBC Bank Canada	Registered October 19, 2009 (expiry October 14, 2014) under Registration No. 232146F	O&K Orenstein & Kopmodel Excavator and related equipment
Caterpillar Financial Services Limited	Registered June 30, 2010 (expiry June 30, 2016) under Registration No. 639580F	2010 Terex RH120 Front Shovel
Caterpillar Financial Services Limited	Registered July 6, 2010 (expiry July 6, 2016) under Registration No. 645354F	3 2010 Caterpillar motor vehicles
Xerox Canada Ltd.	Registered June 2, 2011 (expiry June 2, 2016) under Registration No. 178140G	All present and future office equipment and software supplied by Xerox Canada Ltd.

Registrations Against Agnico-Eagle Mines Limited Under the Nunavut Territory Personal Property Registry

Secured Party	Registration Details	Collateral
Caterpillar Financial Services Limited	Registered May 28, 2009 (expiry May 28, 2013) under Registration No. 139329	2009 Caterpillar 14M
Caterpillar Financial Services Limited	Registered July 16, 2010 (expiry July 16, 2016) under Registration No. 3 2010 Caterpillar motor vehicles	2009 Caterpillar 14M
HSBC Bank Canada	Registered October 14, 2009 (expiry October 14, 2014) under Registration No. 148013	2 Toro Loaders and and Toro Truck
HSBC Bank Canada	Registered October 14, 2009 (expiry October 14, 2014) under Registration No. 148270	Orenstein & Kopmodel Excavator and Bucked Excavation
HSBC Bank Canada	Registered October 14, 2009 (expiry October 14, 2014) under Registration No. 148288	Orenstein & Kopmodel Excavator and Bucked Excavation
HSBC Bank Canada	Registered March 25, 2010 (expiry March 25, 2016) under Registration No. 157784	2 International trucks
HSBC Bank Canada	Registered July 16, 2010 (expiry July 16, 2016) under Registration No. 165563	2010 Terex RH 120 Front Shovel
De Lage Landen Financial Services Canada Inc. Services Financiers De Lage Landen Canada	Registered May 6, 2010 (expiry May 6, 2014) under Registration No. 160184	Medical equipment
Canadian Western Bank	Registered July 28, 2010 (expiry July 28, 2020) under Registration No. 166710	4 Atlas Copco DM 45 Rotary Blasthole Drilling Rigs
PNC Equipment Finance, a Division of PNC Bank, Canada Branch	Registered October 28, 2010 (expiry October28, 2018) under Registration No. 172742	All goods leased by PNC Equipment Finance, a Division of PNC Bank, Canada Branch
PNC Equipment Finance, a Division of PNC Bank, Canada Branch	Registered October 28, 2010 (expiry October28, 2018) under Registration No. 172817 (as amended by 173153)	One 26’ x 12.25’ F/F (11 EGL) Sag Mill and related accessories and components

Registrations Against Agnico-Eagle Mines Limited in the Register of Personal and Moveable Real Rights — Quebec

Secured Party	Registration Details	Collateral
Gestion Loca-Bail Ltée	Registered April 15, 2009 (expiry March 3,2013) under Registration No. 09-0202771-0001	Photocopiers and related equipment
Bal Global Finance Canada Corporation	Registered July 6, 2009 (expiry June 30, 2019) under Registration No. 09-0401160-0001	The personal and movable property including drilling and mining equipment of any nature or kind described in any Leasing Schedule executed by the parties
Bal Global Finance Canada Corporation	Registered July 6, 2009 (expiry June 30, 2019) under Registration No. 09-0401160-0002	The personal and movable property including drilling and mining equipment of any nature or kind described in any Leasing Schedule executed by the parties
Bal Global Finance Canada Corporation	Registered July 6, 2009 (expiry June 30, 2019) under Registration No. 09-0401160-0003	Various drilling and mining equipment located at Goldex Mine, Val d'Or, Quebec
Bal Global Finance Canada Corporation	Registered July 6, 2009 (expiry June 30, 2019) under Registration No. 09-0401160-0004	Various drilling and mining equipment located at Goldex Mine, Val d'Or, Quebec
The Bank of Nova Scotia	Registered July 20, 2009 (expiry July 20, 2018) under Registration No. 09-0439986-0001	1 new TORO 50 underground haulage truck S/N T9050444 1 new LH514 underground LHD S/N L914D311
The Bank of Nova Scotia	Registered July 24, 2009 (expiry July 24, 2018) under Registration No. 09-0452727-0011	Various drilling and mining equipment
Hardy Ringuette Automobiles Inc.	Registered August 21, 2009 (expiry August 20, 2012) under Registration	2009 FORD F150 serial no. 1FTPF 14849KC69381

Secured Party	Registration Details	Collateral
	No. 09-0516937-0013	
HSBC Bank Canada	Registered October 26, 2009 (expiry October 15, 2013) under Registration No. 09-0665290-0001	1 used Toro Loader, model 1400 U/G, serial no. T7140234 1 used Toro Loader, model 50 U/G, serial number T7050325 1 used Toro Haulage Truck, model 50 U/G, serial number T8050375
Gestion Loca Bail Ltée	Registered October 26, 2009 (expiry September 24, 2013) under Registration No. 09-0665505-0001	2 photocopiers and related equipment
Location Credit Ford Canada, une division de Compagnie de location Canadien Road	Registered February 25, 2010 (expiry February 24, 2013) under Registration No. 10-0108942-0023	2010 Ford F150 serial no. 1FTVX1EV1AKA56482
Ford Credit Canada Leasing, a division of Canadian Road Leasing Company	Registered March 2, 2010 (expiry March 1, 2013) under Registration No. 10-0118244-0003	2010 Ford El50 serial no. 1FTNF1E87AKA36346
HSBC Bank Canada	Registered March 22, 2010 (expiry June 16, 2015) under Registration No. 10-0163965-0001	1 Gold F-250-001 HP800, serial no. HP800240, Cone Crusher and associated rights, equipment and accessories
HSBC Bank Canada	Registered March 29, 2010 (expiry June 21, 2015) under Registration No. 10-0179390-0001	1 2007 Altas Copco Wagner 6.0 yd Scooptram, Unit 559634, model ST1030, serial number AVO07X211, with Cummins Engine model QSL 9 C250, serial number 46733062; 1 2007 Altas Copco Wagner 6.0 yd Scooptram, Unit 559633, model ST1030, serial number AVO07X151, with Cummins Engine model QSL 9 C250, serial number 46718762
Hardy Ringuette	Registered April 1, 2010	2010 Ford F250 serial no.

Secured Party	Registration Details	Collateral
Automobiles Inc.	(expiry March 31, 2013) under Registration No. 10-0194669-0022	1FTSW2B54AEB21646
Hardy Ringuette Automobiles Inc.	Registered April 6, 2010 (expiry April 5, 2013) under Registration No. 10-0200051-0006	2010 Ford F150 serial no. 1FTVX1EV1AKB99271
Hardy Ringuette Automobiles Inc.	Registered April 6, 2010 (expiry April 5, 2013) under Registration No. 10-0200280-0001	2010 Ford F150 serial no. 1FTVX1EV3AKB99272
Hardy Ringuette Automobiles Inc.	Registered April 19, 2010 (expiry April 18, 2013) under Registration No. 10-0236403-0011	2010 Ford F150 serial no. 1FTVX1EV1AKC35718
Gestion Loca Bail Ltée	Registered May 5, 2010 (expiry September 29, 2013) under Registration No. 10-0285044-0001	1 photocopier and related equipment
Hewitt Équipement Limitée	Registered June 9, 2010 (expiry June 8, 2015) under Registration 10-0372958-0001	1 Caterpillar motor vehicle
Hewitt Équipement Limitée	Registered July 7, 2010 (expiry July 6, 2015) under Registration 10-0444358-0001	1 Caterpillar motor vehicle
Hardy Ringuette Automobiles Inc.	Registered September 27, 2010 (expiry September 26, 2013) under Registration No. 10-0672369-0015	2011 Ford F250 serial no. 1FT7X2B68BEA00454
Hardy Ringuette Automobiles Inc.	Registered November 3, 2010 (expiry November 1, 2013) under Registration No. 10-0771812-0002	2011 Ford F250 serial no. 1FT7W2B60BEA88502

Secured Party	Registration Details	Collateral
Xerox Canada	Registered December 3, 2010 (expiry December 2, 2014) under Registration No. 10-0855295-0012	Photocopy equipment
Hardy Ringuette Automobiles Inc.	Registered January 21, 2011 (expiry January 20, 2014) under Registration No. 11-0041990-0017	2011 Ford F150 serial no. 1FTVX1EV3AKE35256
Hardy Ringuette Automobiles Inc.	Registered January 27, 2011 (expiry January 25, 2014) under Registration No. 11-0054571-0047	2011 Ford F150 serial no. 1FTFW1EFXBKD05220
Hardy Ringuette Automobiles Inc.	Registered January 27, 2011 (expiry January 25, 2014) under Registration No. 11-0054571-0048	2011 Ford F150 serial no. 1FTMF1EM2BKD00311
Hardy Ringuette Automobiles Inc.	Registered February 15, 2011 (expiry February 13, 2014) under Registration No. 11-0094899-0053	2011 Ford F150 serial no. 1FTEX1EM8BFA22217
Hardy Ringuette Automobiles Inc.	Registered February 15, 2011 (expiry February 13, 2014) under Registration No. 11-0094899-0055	2011 Ford F150 serial no. 1FTFX1EF6BFA14090
Hardy Ringuette Automobiles Inc.	Registered February 15, 2011 (expiry February 13, 2014) under Registration No. 11-0094899-0056	2011 Ford F150 serial no. 1FTFX1EF5BFA28434
Hardy Ringuette Automobiles Inc.	Registered April 6, 2011 (expiry April 4, 2014) under Registration No. 11-0231546-0057	2011 Ford F250 serial no. 1FT7W2B67BEB50574
Les services financiers Caterpillar Limitée	Registered May 4, 2011 (expiry April 21, 2021) under Registration	1 Caterpillar motor vehicle

Secured Party	Registration Details	Collateral
	No. 11-0315108-0012	
Hardy Ringuette Automobiles Inc.	Registered May 26, 2011 (expiry May 23, 2014) under Registration No. 11-0231546-0057	2011 Ford Escape serial no. 1FMCU5K32BKC19910
Hardy Ringuette Automobiles Inc.	Registered June 1, 2011 (expiry May 30, 2014) under Registration No. 11-0402987-0042	2011 Ford F250 serial no. 1FT7X2B62BEC65001
Hardy Ringuette Automobiles Inc.	Registered June 20, 2011 (expiry June 16, 2014) under Registration No. 11-0459864-0066	2011 Ford F250 serial no.1FT7W2B63BEC55385
Hardy Ringuette Automobiles Inc.	Registered August 11, 2011 (expiry August 9, 2014) under Registration No. 11-0612966-0042	2011 Ford F250 serial no. 1FT7X2B69BEC99243
Gestion Loca Bail Ltée	Registered August 29, 2011 (expiry July 28, 2013) under Registration No. 11-0660566-0001	14 photocopiers
Hardy Ringuette Automobiles Inc.	Registered September 14, 2011 (expiry September 11, 2013) under Registration No. 11-0702553-0067	2012 Ford F250 serial no. 1FT7W2BT1CEA04193
Hardy Ringuette Automobiles Inc.	Registered September 14, 2011 (expiry September 11, 2013) under Registration No. 11-0702553-0069	2012 Ford F250 serial no. 1FT7W2BTXCEA18805
Hardy Ringuette Automobiles Inc.	Registered September 14, 2011 (expiry September 11, 2013) under Registration No. 11-0702553-0073	2012 Ford F250 serial no. 1FT7W2BT7CEA09219
Hardy Ringuette Automobiles Inc.	Registered September 14, 2011 (expiry September 11, 2013) under	2012 Ford F250 serial no. 1FT7W2BTXCEA04192

Secured Party	Registration Details	Collateral
	Registration No. 11-0702553-0075	
Hewit Équipement Limitée	Registered September 14, 2011 (expiry September 13, 2016) under Registration No. 11-0702596-0001	1 Caterpillar motor vehicle
Hardy Ringuette Automobiles Inc.	Registered September 14, 2011 (expiry September 12, 2013) under Registration No. 11-0705928-0008	2012 Ford F250 serial no. 1FT7W2BT3CEA09220
Hardy Ringuette Automobiles Inc.	Registered September 14, 2011 (expiry September 12, 2013) under Registration No. 11-0705928-0010	2012 Ford F250 serial no. 1FT7W2BT5CEA09221
Hardy Ringuette Automobiles Inc.	Registered October 31, 2011 (expiry October 27, 2014) under Registration No. 11-0837501-0053	2012 Ford F250 serial no. 1FT7W2B64CEA34833
Hardy Ringuette Automobiles Inc.	Registered January 12, 2012 (expiry January 10, 2015) under Registration No. 12-0020822-0050	2012 Ford F250 serial no. 1FT7W2B64CEB01690
Hardy Ringuette Automobiles Inc.	Registered January 30, 2012 (expiry January 29, 2015) under Registration No. 12-0061663-0005	2012 Ford F150 serial no. 1FTVX1EF4CKD07670
Hardy Ringuette Automobiles Inc.	Registered February 13, 2012 (expiry February 9, 2015) under Registration No. 12-0098735-0038	2012 Ford F150 serial no. 1FTVX1EF4CKD11749
Hardy Ringuette Automobiles Inc.	Registered May 17, 2012 (expiry May 16, 2015) under Registration No. 12-0387354-0003	2012 Ford F150 serial no. 1FTVX1EF7CKD55230
Hewitt Équipement Limitée	Registered June 6, 2012 (expiry	1 Caterpillar motor vehicle

EXHIBIT 1-A

[Form of Series A Note]

AGNICO-EAGLE MINES LIMITED

4.87% Series A Senior Note Due 2022

No. A-[ ] [Date]
U.S.$[ ] PPN 008474 B*8

FOR VALUE RECEIVED, the undersigned, AGNICO-EAGLE MINES LIMITED (herein called the " **Company** "), a corporation organized and existing under the laws of the Province of Ontario, hereby promises to pay to [ ], or registered assigns, the principal sum of [ ] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on July 24, 2022 (the " **Maturity Date** "), with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 4.87% per annum from the date hereof, payable semiannually, on the 24 th day of January and July in each year, commencing with the January 24 or July 24 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, at a rate per annum from time to time equal to the greater of (i) 6.87% and (ii) 2.0% over the rate of interest publicly announced by Bank of America, N.A. from time to time in New York, New York as its "base" or "prime" rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the " **Notes** ") issued pursuant to the Note Purchase Agreement, dated as of July 24, 2012 (as from time to time amended, the " **Note Purchase Agreement** "), between the Company and the respective Purchasers named therein, and payment of principal of, and Make-Whole Amount and Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by each Subsidiary Guarantor in accordance with the terms of its Subsidiary Guarantee. Each holder of this Note will be deemed, by its acceptance hereof, to have agreed to the provisions set forth in Sections 6(a), 14.2(b) and 21 of the Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount or Modified Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

AGNICO-EAGLE MINES LIMITED

By _____
Name:
Title:

EXHIBIT 1-B

[Form of Series B Note]

AGNICO-EAGLE MINES LIMITED

5.02% Series B Senior Note Due 2024

No. B-[ ] [Date]
U.S.$[ ] PPN 008474 B@6

FOR VALUE RECEIVED, the undersigned, AGNICO-EAGLE MINES LIMITED (herein called the " **Company** "), a corporation organized and existing under the laws of the Province of Ontario, hereby promises to pay to [ ], or registered assigns, the principal sum of [ ] UNITED STATES DOLLARS (or so much thereof as shall not have been prepaid) on July 24, 2024 (the " **Maturity Date** "), with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 5.02% per annum from the date hereof, payable semiannually, on the 24 th day of January and July in each year, commencing with the January 24 or July 24 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, at a rate per annum from time to time equal to the greater of (i) 7.02% and (ii) 2.0% over the rate of interest publicly announced by Bank of America, N.A. from time to time in New York, New York as its "base" or "prime" rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of, interest on and any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the " **Notes** ") issued pursuant to the Note Purchase Agreement, dated as of July 24, 2012 (as from time to time amended, the " **Note Purchase Agreement** "), between the Company and the respective Purchasers named therein, and payment of principal of, and Make-Whole Amount and Modified Make-Whole Amount, if any, and interest on this Note has been guaranteed by each Subsidiary Guarantor in accordance with the terms of its Subsidiary Guarantee. Each holder of this Note will be deemed, by its acceptance hereof, to have agreed to the provisions set forth in Sections 6(a), 14.2(b) and 21 of the Note Purchase Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount or Modified Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the Company and the holder of this Note shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

AGNICO-EAGLE MINES LIMITED

By _____
Name:
Title:

EXHIBITS 4.4(A)(I) (II), (III), (IV), (V), (VI), (VII), (VIII), (IX) AND (X)

Forms of Opinions of Special Counsel to the Company and the Subsidiary Guarantors

[To be negotiated separately, based on 2010 transaction.]

EXHIBIT 4.4(B)

Form of Opinion of Special Counsel to The Purchasers

[To be provided to the Purchasers separately.]

EXHIBIT 7.2

Form of Compliance Certificate

AGNICO-EAGLE MINES LIMITED

COMPLIANCE CERTIFICATE

Reference is made to the note purchase agreement (the " **Note Agreement** ") dated as of July 24, 2012 among Agnico-Eagle Mines Limited (the " **Company** ") and the purchasers listed on Schedule A of the Note Agreement and to the issuance by the Company of U.S.$100,000,000 aggregate principal amount of 4.87% Series A Senior Notes due 2022 (the " **Series A Notes** ") and U.S.$100,000,000 aggregate principal amount of 5.02% Series B Senior Notes due 2024 (the " **Series B Notes** " and, together with the Series A Notes, the " **Notes** ") for an aggregate principal amount of U.S.$200,000,000 of Notes. Unless otherwise indicated, all capitalized terms used in this opinion letter that are defined in the Note Agreement have the meanings ascribed to them in the Note Agreement.

I, [name], [title (Senior Financial Officer)] of the Company, DO HEREBY CERTIFY, solely in my capacity as an officer of the Company and without personal liability, as follows:

1. I have reviewed the relevant terms of the Note Agreement and have made, or caused to be made, under my supervision, a review of the transactions and conditions of the Company and its Subsidiaries from [date of the start of the annual or interim period covered by the financial statements furnished with this certificate] to the date hereof;

2. [Such review has not revealed the existence during such period of any condition or event that constitutes a Default or an Event of Default under the Note Agreement;]

   [or]

   [Such review has revealed [describe the nature and period of existence of a condition or event during the period that constitutes a Default or an Event of Default and any action taken or proposed to be taken by the Company with respect thereto];]

3. Evidence of compliance by the Company with the requirements of Section 9.8(a)(i) of the Note Agreement as of the end of the Company's most recently completed fiscal quarter (the " **Period** "), which ended on [date], is as follows:

   (a) The Company and the Subsidiary Guarantors accounted for • % of the consolidated total assets of the Company and its Subsidiaries as of the last day of the Period and • % of the consolidated total revenues of the

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Company and its Subsidiaries for the twelve-month period ending on the last day of the Period; and

(b) set forth on Schedule A hereto are the calculations of the percentages of consolidated total assets and revenues referred to above.

4. Evidence of compliance by the Company with the requirements of Sections 9.9 and 9.10 of the Note Agreement as of the end of the Period is as follows:

(a) the Total Net Debt to EBITDA Ratio was • : • (maximum • : •);

(b) the Tangible Net Worth was U.S.$ • (minimum U.S.$ •); and

(c) set forth on Schedule B hereto are the calculations of the financial covenants referred to in clauses (a) and (b) above.

5. Evidence of compliance by the Company with the requirements of Sections 10.5(p) and 10.6(g) of the Note Agreement as of the end of the Period is as follows:

(a) the aggregate amount of all Indebtedness of the Company and the Subsidiary Guarantors secured by Liens permitted pursuant to Section 10.5(p) of the Note Agreement was • % of Shareholders' Equity (maximum: • %);

(b) the aggregate amount of all Indebtedness of Subsidiary Guarantors permitted pursuant to Section 10.6(g) of the Note Agreement was • % of Shareholders' Equity (maximum: • %);

(c) the sum (without dupliction) of (a) and (b) above was • % of Shareholders' Equity (maximum: • %); and

(d) set forth on Schedule C hereto are the calculations relating to clauses (a), (b) and (c) above.

6. [For annual financials only] Evidence of compliance by the Company with the requirements of Section 10.7(f) of the Note Agreement for the Company's most recently completed fiscal year, which ended on [date], is as follows:

(a) the aggregate book value of the Material Assets subject to Dispositions pursuant to Section 10.7(f) of the Note Agreement during the Company's most recently competed fiscal year was • % of Consolidated Total Assets as of the end of the immediately preceding fiscal year (maximum: • %); and

(b) set forth on Schedule D hereto are the calculations relating to the previous clause.

DATED _____.

Name:
Title:

EXHIBIT 9.8

FORM OF SUBSIDIARY GUARANTEE

[NAME OF GUARANTOR]

TO: Each Person who is from time to time a holder (each a " **Noteholder** ") of one or more of (i) the U.S.$100,000,000 4.87% Series A Senior Notes due 2022 and (ii) the U.S.$100,000,000 5.02% Series B Senior Notes due 2024 (collectively, together with all notes delivered in substitution or exchange for any of said notes pursuant to the Note Purchase Agreement referred to below, the " **Notes** "), in each case issued by AGNICO-EAGLE MINES LIMITED, a corporation organized under the laws of the Province of Ontario (the " **Company** "), pursuant to the Note Purchase Agreement dated as of July 24, 2012 (as amended, modified or supplemented from time to time, the " **Note Purchase Agreement** ") among the Company and each of the purchasers whose names appear on Schedule A to the Note Purchase Agreement.

DATED: As of [ ].

RECITALS:

A. The Company is party to the Note Purchase Agreement providing for the purchase by the Purchasers named therein, and the sale by the Company, of the Notes.

B. [Name of Guarantor], a/an [name of jurisdiction] corporation (the " **Guarantor** "), [is required / has elected], pursuant to the terms of the Note Purchase Agreement, to execute and deliver this Guarantee (the " **Guarantee** ") to the Noteholders.

C. The purchase of the Notes by the Purchasers is necessary and desirable to the conduct and operation of the business of the Obligors and will enure to the benefit of the Guarantor.

D. It is in the best interests of the Guarantor to execute and deliver this Guarantee, inasmuch as the Guarantor and the Company are engaged in related businesses and the Guarantor will derive substantial direct and indirect benefits from the Company's issuance of the Notes to the Purchasers.

NOW THEREFORE, for value received, and in consideration of the purchase of the Notes by the Purchasers, the Guarantor covenants and agrees in favour of the Noteholders as follows:

1. **Definitions, Construction, Etc** .

(a) In this Guarantee capitalized terms used herein and not defined herein shall have the meanings given to them in the Note Purchase Agreement, and the following terms shall have the following meanings:

(i) " **Guaranteed Obligations** " means all indebtedness, liabilities and obligations of the Principal Debtors under the Note Purchase Agreement, the Notes, the Other Guarantees and all other documents and instruments to which a Principal Debtor is a party delivered thereunder or in relation thereto.

(ii) " **Obligors** " means the Company and each Subsidiary Guarantor.

(iii) " **Other Guarantees** " means the Subsidiary Guarantees of each Subsidiary Guarantor (other than the Guarantor).

(iv) " **Principal Debtors** " means the Obligors (other than the Guarantor).

(v) " **Termination Date** " means the earlier of (a) the date of the indefeasible repayment in full in cash of all the Guaranteed Obligations and (b) the date on which the Guarantor is released from its obligations under this Guarantee in accordance with the terms of the Note Purchase Agreement.

(b) This Guarantee has been negotiated by the Guarantor with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Guarantee.

(c) In this Guarantee:

(i) the division into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Guarantee; and

(ii) unless otherwise specified or the context otherwise requires:

(A) references to any Section are references to the Section of this Guarantee;

(B) " including" or "includes" means "including (or includes) but not limited to" and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;

(C) references to contracts, agreements or instruments are deemed to include all present and future amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments;

(D) references to any legislation, statutory instrument or regulation or a section or other provision thereof is a reference to the legislation, statutory instrument, regulation, section or other provision as amended or re-enacted from time to time;

(E) references to any thing includes the whole or any part of that thing and a reference to a group of things or persons includes each thing or person in that group;

(F) references to a party to this Guarantee includes that party's successors and permitted assigns; and

(G) words in the singular include the plural and vice-versa and words in one gender include all genders.

2. **Guarantee** .

(a) The Guarantor unconditionally and irrevocably guarantees to the Noteholders, on a joint and several basis with each other Subsidiary Guarantor, the full and, subject to Section 6(a), punctual payment, and the performance, of the Guaranteed Obligations.

(b) The Guarantor hereby further agrees that if the Company shall default in the payment or performance of any of the Guaranteed Obligations, the Guarantor will promptly pay or perform the same following the occurrence of an Event of Default which is continuing and which has not been waived by the requisite Noteholders, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration, by optional prepayment or otherwise) in accordance with the terms of such extension or renewal.

(c) All obligations of the Guarantor under this Section 2 shall survive the transfer of any Note, and any obligations of the Guarantor under this Section 2 with respect to which the related underlying obligation of the Company is expressly stated to survive the payment of any Note (if so expressly stated in the Note Purchase Agreement or such Note) shall also survive the payment of such Note.

3. **Guarantee Unlimited** . The liability of the undersigned hereunder is unlimited and bears interest from the due date of the applicable Guaranteed Obligations at the rates set out in the Notes; provided however, that there will be no duplication of any interest payable by the Principal Debtors and the Guarantor.

4. **Nature of Guarantee** . This Guarantee shall be a continuing guarantee of all of the Guaranteed Obligations and shall in all respects be an absolute, unconditional and irrevocable guarantee of payment when due and not of collection and shall apply to and secure any ultimate balance due or remaining unpaid to the Noteholders, and shall remain in full force and effect until the Termination Date. This Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Noteholders. Each Noteholder shall apply all payments received from the Guarantor hereunder against the Guaranteed Obligations in such manner as such Noteholder sees fit. The Guarantor shall be liable to the Noteholders as principal debtor and not as surety only, and will not plead or assert to the contrary in any action taken by any Noteholder in enforcing this Guarantee.

5. **Noteholders not Bound to Exhaust Recourse** . No Noteholder shall be bound to exhaust its recourse against the Principal Debtors or others or any securities or other guarantees it may at any time hold, or pursue any other remedy against the Guarantor, before any Noteholder will be entitled to payment from the Guarantor under this Guarantee, and the Guarantor renounces all benefits of discussion and division.

6. **Demand; Acceleration** .

(a) After the occurrence of an Event of Default which is continuing and which has not been waived by the requisite Noteholders, any Noteholder may treat all Guaranteed Obligations as due and payable and may forthwith demand from the Guarantor the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Obligations. A written statement of an officer of any Noteholder as to the amount of Guaranteed Obligations remaining unpaid at any time by the Principal Debtors shall constitute *prima facie* evidence against the Guarantor as to the amount of Guaranteed Obligations remaining unpaid at such time.

(b) If an Event of Default permitting the acceleration of the maturity of the principal amount of any Notes shall exist and such acceleration shall at such time be prevented or the right of any Noteholder to receive any payment on account of the Guaranteed Obligations shall at such time be delayed or otherwise affected by reason of the pendency against the Company, the Guarantor or any other guarantors of a case or proceeding under a bankruptcy or insolvency law, the Guarantor agrees that, for purposes of this Guarantee and its obligations hereunder, the maturity of such principal amount shall be deemed to have been accelerated with the same effect as if the Noteholder had accelerated the same in accordance with the terms of the Note Purchase Agreement, and the Guarantor shall forthwith pay such accelerated Guaranteed Obligations.

(c) The Guarantor's liability to pay to a Noteholder and perform the Guaranteed Obligations under this Guarantee shall arise forthwith after demand has been made in writing by or on behalf of a Noteholder on the Guarantor. Demand on the Guarantor that is addressed to the Guarantor at the address of the Guarantor set forth on the execution page hereof or last known to such Noteholder shall be deemed to have been effectually made in accordance with the rules relating to delivery of notices set forth in Section 19 of the Note Purchase Agreement.

7. **Guarantee in Addition to Other Security** . This Guarantee shall be in addition to and not in substitution for any other guarantees or other securities which the Noteholders may now or hereafter hold in respect of the Guaranteed Obligations and no Noteholder shall be under any obligation to marshal in favour of the Guarantor any other guarantees or other securities or any moneys or other assets which they may be entitled to receive or may have a claim upon; and no loss of or in respect of or unenforceability of any other guarantees or other securities which the Noteholders may now or hereafter hold in respect of the Guaranteed Obligations, whether occasioned by the fault of the Noteholders or otherwise, shall in any way limit or lessen the Guarantor's liability hereunder.

8. **Liability not Lessened or Limited** .

(a) Without prejudice to or in any way limiting or lessening the Guarantor's liability under this Guarantee and without obtaining the consent of or giving notice to the Guarantor, the Noteholders, as applicable, may:

(i) discontinue, reduce, increase, renew, abstain from renewing or otherwise vary the terms of the Guaranteed Obligations or the obligations of any Person relating thereto;

(ii) supplement, amend, restate or substitute, in whole or in part, the Note Purchase Agreement, the Notes, any Other Guarantee or any other document relating to the foregoing;

(iii) grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Principal Debtors and others, including the Guarantor and any other guarantor as the Noteholders may see fit;

(iv) take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with securities and guarantees in such manner as the Noteholders may see fit; and

(v) apply all moneys received from the Principal Debtors or others or from securities or guarantees upon such parts of the Guaranteed Obligations as the Noteholders may see fit and change any such application in whole or in part from time to time.

(b) This Guarantee shall not be discharged or otherwise affected by:

(i) any loss of capacity of any Principal Debtor;

(ii) any change in the name of any Principal Debtor or in the objects, business, assets, capital structure or constitution of any Principal Debtor;

(iii) the sale of any Principal Debtor's business or any part thereof or any reorganization (whether by way of consolidation, amalgamation, merger, transfer, lease or otherwise);

(iv) any lack of validity, legality, effectiveness or enforceability of the Note Purchase Agreement, the Notes, the Other Guarantees or any other agreement or instrument referred to herein or therein;

(v) any default, failure or delay, willful or otherwise, on the part of the Company to perform or comply with, or the impossibility or illegality of performance by the Company of, any term of the Note Purchase Agreement, the Notes or any other agreement or instrument referred to therein;

(vi) the failure of any Noteholder (x) to assert any claim or demand or to enforce any right or remedy against any Principal Debtor under the provisions of the Note Purchase Agreement, the Notes, the Other Guarantees or any other agreement or instrument referred to therein or (y) to exercise any right or remedy against any other guarantor of any of the Guaranteed Obligations;

(vii) any suit or other action brought by, or any judgment in favour of, any beneficiaries or creditors of, any Principal Debtor for any reason whatsoever, including without limitation any suit or action in any way attacking or involving any issue, matter or thing in respect of the Note Purchase Agreement, the Notes, the Other Guarantees or any other agreement or instrument referred to therein; or

(viii) any other circumstance (other than the indefeasible payment in full of all Guaranteed Obligations) which might constitute in whole or in part a defence available to, or a legal or equitable discharge of, the Guarantor or the Principal Debtors in respect of the Guaranteed Obligations in any jurisdiction.

Notwithstanding any such event, this Guarantee shall continue to apply to all Guaranteed Obligations whether heretofore, now or hereafter incurred. If any Principal Debtor amalgamates or merges with any Person, or all or substantially all of the property of any Principal Debtor becomes the property of another Person, this Guarantee shall extend and apply to the equivalent liabilities of the amalgamated, merged or other Person, which liabilities shall be included in the Guaranteed Obligations.

9. **Subrogation, Etc** . Until the Termination Date, all dividends, compositions, proceeds of securities or payments received by the Noteholders from the Principal Debtors or others in respect of the Guaranteed Obligations shall be regarded for all purposes as payments of the Guaranteed Obligations but without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this Guarantee, and until the Termination Date, the Guarantor shall not claim any set-off or counterclaim against any Principal Debtor in respect of any liability of such Principal Debtor to the Guarantor, claim or prove in the bankruptcy or insolvency of any Principal Debtor in competition with any Noteholder, nor have any right to be subrogated to any Noteholder. Any amount paid to the Guarantor on account of any such subrogation rights prior to the Termination Date shall be held in trust for the benefit of the Noteholders and shall immediately be paid and turned over to the Noteholders in the exact form received by the Guarantor, to be credited and applied against the Guaranteed Obligations, whether matured or unmatured.

10. **Proceeds from Noteholders** . All proceeds of the Notes remitted by the Noteholders under the Note Purchase Agreement to the Principal Debtors shall be deemed to form part of the Guaranteed Obligations (a) notwithstanding any lack of notice to the Guarantor, any lack or limitation of power of any Principal Debtor or of the directors, partners or agents thereof, the dissolution, bankruptcy, insolvency or other similar event of any Principal Debtor, or that any Principal Debtor may not be a legal or suable entity, or any irregularity, defect or informality in

the obtaining of such advances, renewals or credits, whether or not the Noteholders had knowledge thereof, or (b) even if such proceeds were remitted after the dissolution, bankruptcy, insolvency or other similar event of any Principal Debtor. Any Guaranteed Obligations which may not be recoverable from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Noteholders on demand with interest at the rate applicable to each such Noteholder.

11. **Liabilities Owing by Principal Debtors** . After the occurrence of an Event of Default which is continuing and which has not been waived by the requisite Noteholders, all moneys received by the Guarantor in respect of debts and liabilities, present and future, of each Principal Debtor to the Guarantor shall upon receipt by the Guarantor be forthwith paid over to the Noteholders, in whole without in any way lessening or limiting the liability of the Guarantor under this Guarantee.

12. **Termination Rights** . (a) The Guarantor shall not be entitled to terminate its liability under this Guarantee prior to the Termination Date. (b) If the Termination Date occurs, then the Noteholders shall, at the request of the Guarantor (and at the Guarantor's sole cost and expense), cancel and discharge this Guarantee and execute and deliver to the Guarantor any such deeds and other instruments as shall be reasonably required therefor.

13. **Covenants** . (a) The Guarantor hereby covenants and agrees that it will comply with, perform, fulfill and satisfy the covenants contained in Sections 9 and 10 of the Note Purchase Agreement to the extent that such covenants provide for performance by such Guarantor. (b) [Subject to Section [ ] [1] ,] the Guarantor will ensure that its payment obligations under this Guarantee will at all times rank at least *pari passu* , without preference or priority, with all other unsecured and unsubordinated Indebtedness of the Guarantor, except for any such Indebtedness preferred by operation of law.

14. **Representations and Warranties** . The Guarantor hereby represents and warrants that each of the representations and warranties of the Company contained in Sections 5.1, 5.2, 5.6, 5.7, 5.9, 5.19 [(subject to Section [ ])] [2] and 5.22 of the Note Purchase Agreement is true and correct as it applies to, and as if made by, the Guarantor with respect to this Guarantee, *mutatis mutandis* .

15. **Entire Agreement** . This Guarantee and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof. Possession of this instrument by any Noteholder shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to

[1] Form note: Insert reference to any provision relating to limitations on the guarantee pursuant to applicable local law (e.g., U.S. law relating to avoidance provisions under the U.S. Bankruptcy Code).

[2] Form note: See footnote directly above.

any agreement that it should not be effective until any condition precedent or subsequent has been complied with.

16. **Applicable Law and Process** .

(a) This Guarantee shall be governed by, and interpreted and enforced in accordance with, the laws in force in the Province of Ontario (in this Section 16, the " **Province** ") and the laws of Canada applicable in the Province, except that the submission to the courts of New York State in the succeeding sentence shall be governed by the laws of the State of New York. Any legal action or proceeding with respect to this Guarantee may be brought in the courts of the Province, in the courts of New York State or any federal court sitting in the Borough of Manhattan, or in the courts of any other jurisdiction where the Guarantor may have assets or carry on business or where payments are to be made hereunder, as any Noteholder may elect in its sole discretion, and the Guarantor irrevocably submits to the non-exclusive jurisdiction of each such court and acknowledges its competence and, by execution and delivery of this Guarantee, the Guarantor hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and hereby waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same. The Guarantor hereby waives, to the maximum extent permitted by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 16 any special, exemplary, punitive or consequential damages (nothing herein shall be construed as a waiver of any direct damages). Nothing herein shall limit the right of any Noteholder to serve process in any manner permitted by law or to commence legal proceedings or otherwise proceed against the Guarantor in any other jurisdiction.

(b) The Guarantor hereby irrevocably appoints and designates CT Corporation in New York, New York, or any other person having and maintaining a place of business in the State of New York whom the Guarantor may from time to time hereafter designate (having given 30 days' notice thereof to each Noteholder then outstanding), as the true and lawful attorney and duly authorized agent for acceptance of services of legal process of the Guarantor. The Guarantor hereby agrees that service of process in any such proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address specified herein or at such other address of which each Noteholder shall have been notified pursuant thereto.

17. **Successors and Assigns** . All rights of each Noteholder under this Guarantee shall enure to the benefit of its successors and assigns and all obligations of the Guarantor under this Guarantee shall bind the Guarantor, its successors and permitted assigns. All rights of each Noteholder under this Guarantee shall be assignable in accordance with the Note Purchase Agreement.

18. **Indemnities** . If any Guaranteed Obligations are not otherwise recoverable under this Guarantee, the Guarantor shall indemnify each Noteholder against, and save each of them

harmless from, any losses which may arise by virtue of any of the Guaranteed Obligations, the Note Purchase Agreement, the Notes, any Other Guarantee, any security held by any Noteholder for the Guaranteed Obligations, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, *ultra vires* , illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an " **Indemnifiable Circumstance** "). For greater certainty, the losses shall be equal to the amount of all Guaranteed Obligations which would have been payable by the Principal Debtors but for the Indemnifiable Circumstance plus the other losses referred to in the preceding sentence. This indemnity contained in this Section 18 is a separate obligation from any other obligation of the Guarantor contained in this Guarantee and this indemnity has been included in this Guarantee, as opposed to being included in a separate agreement, for convenience only. For greater certainty, the reference to the undersigned herein as a "Guarantor" and the reference to this agreement as a "Guarantee" are for convenience only and shall have no bearing on the preceding sentence or the legal effect of this agreement.

19. **Costs and Expenses** . All costs and expenses incurred by any Noteholder in connection with preserving, exercising or enforcing any of its rights hereunder, including legal fees, and other reasonable expenses in connection therewith (in this Section 19, " **realization costs** ") shall be payable by the Guarantor to such Noteholder forthwith upon demand therefor, and until the realization costs are paid, the realization costs shall bear interest from the date each such realization cost is incurred until each such realization cost is paid at the rate of interest per annum equal to the rate of interest applicable to such Noteholder.

20. **Amalgamation or Merger of Guarantor** . If the Guarantor amalgamates or merges with any other Person, the obligations of the Guarantor hereunder shall continue and shall be assumed by, and be binding and enforceable against, the amalgamated or merged Person (without any further action being taken by such Person), as if the amalgamated or merged Person had executed this Guarantee as the Guarantor.

21. **Reinstatement** . This Guarantee shall be reinstated if at any time any payment of any Guaranteed Obligation is rescinded or must otherwise be returned by any Noteholder upon any receivership, insolvency, dissolution, arrangement or other similar proceedings of or affecting any Principal Debtor, the Guarantor or any other Person, or for any other reason whatsoever. Any Noteholder may concede or compromise any claim that any such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 21.

22. **Acknowledgments of Guarantor** . The Guarantor acknowledges that it is aware of, and consents to and approves, the terms of the Note Purchase Agreement, the Notes, the Other Guarantees and all agreements and documents referred to therein. The Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of the Principal Debtors, and any and all endorsers and/or other guarantors of any instrument or document evidencing all or any part of the Guaranteed Obligations and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations or any part thereof that diligent inquiry would reveal and the Guarantor hereby agrees that the Noteholders shall have no duty to advise the Guarantor of information known to the Noteholders regarding such condition or any

such circumstances or to undertake any investigation not a part of its regular business routine. If any Noteholder, in its sole discretion, undertakes at any time or from time to time to provide any such information to the Guarantor, the Noteholders shall be under no obligation to update any such information or to provide any such information to the Guarantor on any subsequent occasion. The Guarantor further acknowledges that (x) no Noteholder has any fiduciary relationship with or duty to the Guarantor arising out of or in connection with this Guarantee, the Note Purchase Agreement or the Notes, and the relationship between the Noteholders on the one hand, and the Guarantor, on the other hand, in connection herewith or therewith is solely that of debtor and creditor and (y) no joint venture is created hereby or by the Note Purchase Agreement, the Notes or this Guarantee or otherwise exists by virtue of the transactions contemplated hereby among the Guarantor and the Noteholders.

23. **Amendments and Waivers** . No amendment, supplement or waiver of any provision of this Guarantee shall in any event be effective unless it is in writing and signed by the Guarantor and the Required Holders, except that no such amendment, supplement or waiver may, without the written consent of each Noteholder affected thereby, amend any of Sections 2, 8, 28, 29 or this Section 23, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No waiver by any Noteholder of any breach by the Guarantor hereunder shall extend to or be taken in any manner whatsoever to affect any subsequent breach by the Guarantor or the rights resulting therefrom. No failure on the part of any Noteholder to exercise, and no delay in exercising any right, power or remedy hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by any Noteholder of any right, power or remedy shall preclude any other or further exercise thereof or of another right, power or remedy. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

24. **Severability** . Any provision of this Guarantee which is or becomes prohibited or unenforceable in any relevant jurisdiction shall not invalidate or impair the remaining provisions hereof which shall, to the maximum extent permitted by law, be deemed severable from such prohibited or unenforceable provision and any such prohibition or unenforceability in any such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

25. **Counterparts** . This Guarantee may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same Guarantee. For the purposes of this Section 25, the delivery of a facsimile copy of an executed copy of this Guarantee shall be deemed to be valid execution and delivery of this Guarantee.

26. **Time of the Essence** . Time shall be of the essence of this Guarantee.

27. **Waiver of Notice, Etc** . To the maximum extent permitted by law, the Guarantor hereby waives demand, presentment, protest, notice of nonpayment and (except as provided in Section 6) any other notice with respect to any of the Guaranteed Obligations and this Guarantee.

28. **Judgment Currency** . Any payment on account of an amount that is payable hereunder in U.S. Dollars which is made to or for the account of any Noteholder in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any

security or the liquidation of any Obligor, shall constitute a discharge of the obligation of the Guarantor under this Guarantee only to the extent of the amount of U.S. Dollars which such Noteholder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of U.S. Dollars that could be so purchased is less than the amount of U.S. Dollars originally due to such Noteholder, the Guarantor agrees, to the fullest extent permitted by law, to indemnify and save harmless such Noteholder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Guarantee, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such Noteholder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term “London Banking Day” shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England. The agreements in this Section 28 shall survive the Termination Date.

29. **Taxes** . Section 13 of the Note Purchase Agreement (including all definitions which are used in Section 13 of the Note Purchase Agreement) is incorporated into this Guarantee by reference, *mutatis mutandis* .

30. **Limitations Act** . The Guarantor acknowledges and agrees that any Noteholder may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the *Limitations Act, 2002* (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such Act or applicable law are hereby explicitly excluded. For greater certainty, the Guarantor acknowledges that this Guarantee is a “business agreement” as defined under Section 22 of the *Limitations Act, 2002* (Ontario).

31. **Notices** . All notices hereunder shall be addressed (a) to the Guarantor at its address (email, physical or otherwise) set forth on the execution page hereof or at any other address provided in writing to each Noteholder or (b) to the Noteholders at such Noteholder’s address (email, physical or otherwise) set forth in Schedule A to the Note Purchase Agreement or at any other address provided in writing to the Company. All notices or demands shall be deemed received according to the rules set forth in Section 19 of the Note Purchase Agreement.

32. **Further Assurances** . The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as any Noteholder may reasonably request for the purpose of giving effect to this Guarantee.

33. **Paramountcy** . In the event of any conflict or inconsistency between the provisions of this Guarantee and the provisions of the Note Purchase Agreement, the provisions of the Note Purchase Agreement shall prevail and be paramount.

34. **Rate of Interest.** Each rate of interest which is calculated with reference to a period (the “deemed interest period”) that is less than the actual number of days in the calendar year of

calculation is, for the purposes of the *Interest Act* (Canada), equivalent to a rate based on a calendar year calculated by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing by the number of days in the deemed interest period.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has duly executed this Guarantee as of the date first written above.

[NAME OF GUARANTOR]

By: _____
Name:
Title:

Address: [c/o Agnico-Eagle Mines Limited
145 King Street West, Suite 400
Toronto, Ontario
Canada, M5C 2Y7
Attention: Picklu Datta]

EXHIBIT 10.2

FORM OF ASSUMPTION AGREEMENT OF THE OBLIGATIONS OF THE COMPANY

ASSUMPTION AGREEMENT

ASSUMPTION AGREEMENT dated as of (the " *Assumption Agreement* ") made by [Name of assuming entity], a corporation (the " *New Company* "), in favor of the persons or entities listed on Schedule A attached hereto (the " *Noteholders* "), each of which is a party to (or a transferee of a party to) the Note Purchase Agreement dated as of July 24, 2012 among Agnico-Eagle Mines Limited, a corporation organized under the laws of the Province of Ontario (the " *Company* "), and the several Noteholders (the " *Note Agreement* "). Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Note Agreement.

WITNESSETH:

WHEREAS, pursuant to the [Describe documents evidencing merger, sale or consolidation] dated as of , between the New Company and the Company, the Company has [been merged with and into] [sold, leased or conveyed all or substantially all its assets to] [been consolidated with] the New Company (the " *Transaction* ") and, as a result of the Transaction, the New Company has assumed all of the rights, duties, liabilities and obligations of the Company, including, without limitation, all of the rights, duties, liabilities and obligations of the Company under the Note Agreement and the Notes; and

WHEREAS, the New Company, as the [surviving corporation of] [transferee or lessee of all or substantially all of the Company's assets pursuant to] the Transaction, shall receive direct and indirect benefits by reason of the investments made by the Noteholders under the Note Agreement (which benefits are hereby acknowledged); and

WHEREAS, clause (i) of the proviso to Section 10.2(d) of the Note Agreement requires that the New Company execute and deliver this Assumption Agreement;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the New Company hereby agrees as follows:

1. *Assumption* . (a) The New Company, as the [surviving corporation of] [transferee or lessee of all or substantially all of the Company's assets pursuant to] the Transaction, hereby unconditionally and expressly assumes, confirms and agrees to perform and observe each and every one of the covenants, rights, promises, agreements, terms, conditions, obligations, duties and liabilities of the Company under the Note Agreement and the Notes and under any documents, instruments or agreements executed and delivered or furnished, or to be executed and delivered or furnished, by the Company in connection therewith, and to be bound by all waivers made by the Company with respect to any matter set forth therein.

(b) All references to the Company in the Note Agreement or any Note or any document, instrument or agreement executed and delivered or furnished, or to be

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executed and delivered or furnished, in connection therewith shall be deemed to be references to the New Company, except for references to the Company relating to its status prior to the consummation of the Transaction.

2. *Representations and Warranties* . The New Company hereby accepts and assumes all obligations and liabilities of the Company related to each representation or warranty made by the Company in the Note Agreement or any other document, instrument or agreement executed and delivered or furnished in connection therewith. The New Company further represents, warrants and affirms for the benefit of the Noteholders that each of the representations and warranties of the Company contained in Sections 5.1, 5.2, 5.6, 5.7, 5.19 and 5.22 of the Note Agreement is true and correct with respect to the New Company, *mutatis mutandis* , on and as of the date hereof and as of the date of consummation of the Transaction. Each such representation and warranty is incorporated by reference herein in its entirety. The New Company further represents and warrants that no Default or Event of Default has occurred and is continuing under the Note Agreement (as of the actual date of the Transaction and, in the case of Section 9.9 and 9.10 of the Note Agreement, assuming that such Transaction had occurred on the last day of the quarterly or annual financial period of the Company immediately preceding the actual date of such Transaction for which financial statements of the Company are available).

3. *Further Assurances* . At any time and from time to time, upon any Noteholder's request and at the sole expense of the New Company, the New Company will promptly execute and deliver any and all further instruments and documents and will take such further action as such Noteholder may reasonably deem necessary to ensure the validity and enforceability of this Assumption Agreement.

4. *Amendment, Etc* . No amendment or waiver of any provision of this Assumption Agreement shall be effective, unless the same be in writing and executed by the New Company and the Required Holders.

5. *Binding Effect; Assignment* . This Assumption Agreement shall be binding upon the New Company, and shall inure to the benefit of the Noteholders and their respective successors and assigns.

6. *Governing Law* . This Assumption Agreement shall be governed by, and construed in accordance with, the law of the State of New York, excluding choice of law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

7. *Counterparts* . This Assumption Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

8. *Subsidiary Guarantees* . By its signature hereto, each Subsidiary Guarantor unconditionally affirms its obligations under its Subsidiary Guarantee.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered by its duly authorized officer on the date first above written.

[NAME OF NEW COMPANY]

By _____
Name:
Title:

Agreed and consented to this day of

AGNICO-EAGLE MINES LIMITED

By: _____
Name:
Title:

[INSERT SIGNATURE BLOCKS OF EACH SUBSIDIARY GUARANTOR]

FORM OF ASSUMPTION AGREEMENT OF THE OBLIGATIONS OF A SUBSIDIARY GUARANTOR

ASSUMPTION AGREEMENT

ASSUMPTION AGREEMENT dated as of (the " *Assumption Agreement* ") made by [Name of assuming entity], a corporation (the " *New Guarantor* "), in favor of the persons or entities listed on Schedule A attached hereto (the " *Noteholders* "), each of which is a party to (or a transferee of a party to) the Note Purchase Agreement dated as of July 24, 2012 among Agnico-Eagle Mines Limited, a corporation organized under the laws of the Province of Ontario (the " *Company* "), and the several Noteholders (the " *Note Agreement* "). Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Note Agreement or the Guarantee referred to below.

WITNESSETH:

WHEREAS, [Name of old guarantor], a [corporation] (the " *Guarantor* ") is party to that certain Guarantee dated as of [ ], entered into in favor of the Noteholders and pursuant to the terms of the Note Agreement (the " *Guarantee* ").

WHEREAS, pursuant to the [Describe documents evidencing merger, sale or consolidation] dated as of , between the New Guarantor and the Guarantor, the Guarantor has [been merged with and into] [sold, leased or conveyed all or substantially all its assets to] [been consolidated with] the New Guarantor (the " *Transaction* ") and, as a result of the Transaction, the New Guarantor has assumed all of the rights, duties, liabilities and obligations of the Guarantor, including, without limitation, all of the rights, duties, liabilities and obligations of the Guarantor under the Guarantee; and

WHEREAS, the New Guarantor, as the [surviving corporation of] [transferee or lessee of all or substantially all of the Guarantor's assets pursuant to] the Transaction, shall receive direct and indirect benefits by reason of the investments made by the Noteholders under the Note Agreement (which benefits are hereby acknowledged); and

WHEREAS, clause (i) of the proviso to Section 10.2(d) of the Note Agreement requires that the New Guarantor execute and deliver this Assumption Agreement;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the New Guarantor hereby agrees as follows:

1. *Assumption* . (a) The New Guarantor, as the [surviving corporation of] [transferee or lessee of all or substantially all of the Guarantor's assets pursuant to] the Transaction, hereby unconditionally and expressly assumes, confirms and agrees to perform and observe each and every one of the covenants, rights, promises, agreements, terms, conditions, obligations, duties and liabilities of the Guarantor under the Guarantee and under any documents, instruments or agreements executed and delivered or furnished, or to be executed and delivered or furnished, by the Guarantor in connection therewith, and to be bound by all waivers made by the Guarantor with respect to any matter set forth therein.

(b) All references to the Guarantor in the Guarantee or any document, instrument or agreement executed and delivered or furnished, or to be executed and delivered or furnished, in connection therewith shall be deemed to be references to the New Guarantor, except for references to the Guarantor relating to its status prior to the consummation of the Transaction.

2. *Representations and Warranties* . The New Guarantor hereby accepts and assumes all obligations and liabilities of the Guarantor related to each representation or warranty made by the Guarantor in the Guarantee or any other document, instrument or agreement executed and delivered or furnished in connection therewith. The New Guarantor further represents, warrants and affirms for the benefit of the Noteholders that each of the representations and warranties of the Company contained in Sections 5.1, 5.2, 5.6, 5.7, 5.19 and 5.22 of the Note Agreement is true and correct with respect to the New Guarantor, *mutatis mutandis* , on and as of the date hereof and as of the date of consummation of the Transaction. Each such representation and warranty is incorporated by reference herein in its entirety.

3. *Further Assurances* . At any time and from time to time, upon any Noteholder's request and at the sole expense of the New Guarantor, the New Guarantor will promptly execute and deliver any and all further instruments and documents and will take such further action as such Noteholder may reasonably deem necessary to ensure the validity and enforceability of this Assumption Agreement.

4. *Amendment, Etc* . No amendment or waiver of any provision of this Assumption Agreement shall be effective, unless the same be in writing and executed by the New Guarantor and the Required Holders.

5. *Binding Effect; Assignment* . This Assumption Agreement shall be binding upon the New Guarantor, and shall inure to the benefit of the Noteholders and their respective successors and assigns.

6. *Governing Law* . This Assumption Agreement shall be governed by, and construed in accordance with, the law of the State of New York, excluding choice of law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

7. *Counterparts* . This Assumption Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered by its duly authorized officer on the date first above written.

[NAME OF NEW GUARANTOR]

By _____
Name:
Title:

Agreed and consented to this day of

[NAME OF GUARANTOR]

By: _____
Name:
Title:

Exhibit 4.09

Execution Version

AGNICO-EAGLE MINES LIMITED
as Borrower

- and —

THE GUARANTORS FROM TIME TO TIME
PARTY TO THIS AGREEMENT
as Guarantors

- and -

THE BANK OF NOVA SCOTIA
as Lender

CREDIT AGREEMENT
DATED AS OF JUNE 26, 2012
C$150,000,000 UNCOMMITTED LETTER OF CREDIT FACILITY

BORDEN LADNER GERVAIS LLP

DAVIES WARD PHILLIPS & VINEBERG LLP

TABLE OF CONTENTS

CREDIT AGREEMENT entered into as of the 26th day of June, 2012

B E T W E E N:

AGNICO-EAGLE MINES LIMITED
as Borrower

- and -

1715495 ONTARIO INC.
1641315 ONTARIO INC.
AGNICO-EAGLE SWEDEN AB
AGNICO-EAGLE FINLAND OY
AGNICO EAGLE MEXICO S.A. DE C.V.
TENEDORA AGNICO EAGLE MEXICO S.A. DE C.V.
AGNICO-EAGLE MINES MEXICO COOPERATIE U.A.
AGNICO-EAGLE MINES SWEDEN COOPERATIE U.A.
AGNICO-EAGLE (USA) LIMITED
9237-4925 QUÉBEC INC.
GRAYD RESOURCE CORPORATION
RESOURCE GRAYD DE MEXICO, S.A. DE C.V.
as Guarantors

- and -

THE BANK OF NOVA SCOTIA
as Lender

WHEREAS t he parties hereto are entering into this Agreement to provide for the terms of an uncommitted credit facility for the provision of Letters of Credit (as defined below).

NOW THEREFORE for valuable consideration and intending to be legally bound by this Agreement, the parties agree as follows:

1. INTERPRETATION

1.1 Definitions

The following words and expressions, when used in this Agreement, unless the contrary is stipulated, have the following meaning:

1.1.1 " **Affiliate** " means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified;

1.1.2 " **Agreement** ", " **herein** ", " **hereby** ", " **hereto** " " **hereunder** " or similar expressions mean this agreement, the recitals hereto and any schedules hereto, as amended, supplemented, restated and replaced from time to time in accordance with the

provisions hereof, and not any particular article, section, subsection, paragraph or clause or other portion hereof;

1.1.3 " **Applicable Law** " means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise), (b) any judgment, order, writ, injunction, decision, ruling, decree or award or (c) any regulatory policy, practice, guideline or directive; in each case, applicable to and binding on the Person referred to in the context in which the term is used or the property of such Person as a legally enforceable requirement;

1.1.4 " **Assignee** " has the meaning defined in Section 12.2;

1.1.5 " **Banking Day** " means any Business Day except any Business Day in New York, New York which is a holiday or a day upon which banks are authorized or required by Applicable Law or by local proclamation to be closed in New York, New York;

1.1.6 " **Borrower** " means Agnico-Eagle Mines Limited, an Ontario corporation;

1.1.7 " **Branch** " means the Global Wholesale Services — Loan Operations department of The Bank of Nova Scotia at 720 King Street West, Third Floor, Toronto, Ontario, M5V 2T3 or such other branch as is designated from time to time by the Lender, provided that notice of such designation has been received or deemed to have been received in accordance with the Agreement;

1.1.8 " **Business Day** " means any day, except Saturdays, Sundays and any other day which in Toronto, Ontario is a holiday or a day upon which banks are authorized or required by Applicable Law or by local proclamation to be closed in Toronto, Ontario;

1.1.9 " **Canadian Dollars** " or " **C$** " means the lawful currency of Canada;

1.1.10 " **Capital Lease** " means any lease which is required to be capitalized on a balance sheet of the lessee in accordance with GAAP;

1.1.11 " **Capital Lease Obligations** " means, as to any Person, an obligation of such Person to pay rent or other amounts under a Capital Lease and the amount of such obligation shall be the capitalized amount thereof, determined in accordance with GAAP;

1.1.12 " **Capital Reorganization** " means any change in the issued and outstanding Equity Interests of a Person involving the reclassification of such Equity Interests or the conversion of such Equity Interests into, or exchange of such Equity Interests for, cash, securities or other property;

1.1.13 " **Cash Equivalents** " means, as of the date of any determination thereof, instruments of the following types:

1.1.13.1 obligations of, or unconditionally guaranteed by, the governments of Canada or the USA, or any agency of either of them backed by the full faith and credit of the governments of Canada or the USA, respectively, maturing not more than one year from the date of acquisition;

1.1.13.2 marketable direct obligations of the governments of one of the provinces of Canada, one of the states of the USA, or any agency thereof, or of any county, department, municipality or other political subdivision of Canada or the USA, the payment or guarantee of which constitutes a full faith and credit obligation of such province, state, municipality or other political subdivision, which matures not more than one year from the date of acquisition and which, at the time of acquisition, is accorded a short-term credit rating of at least A-1 by S&P, at least P-1 by Moody's or at least R-1(middle) by DBRS;

1.1.13.3 commercial paper, bonds, notes, debentures and bankers' acceptances issued by a Person residing in Canada or the USA and not referred to in subsections 1.1.13.1, 1.1.13.2 or 1.1.13.4, and maturing not more than one year from the date of issuance which, at the time of acquisition, is accorded a short-term credit rating of at least A-1 by S&P, at least P-1 by Moody's or at least R-1(middle) by DBRS, and, in respect of Canadian asset-backed commercial paper that is based on a DBRS rating, provided further that such asset-backed commercial paper is issued by a Person appearing on the list of "Global Liquidity Standard for ABCP Issuers" published and maintained by DBRS (for so long as such list is in existence and is continually being updated);

1.1.13.4 (a) certificates of deposit maturing not more than one year from the date of issuance thereof, issued by a bank or trust company organized under the laws of the USA, any state thereof, or Canada or any province thereof or (b) Principal Currency certificates of deposit maturing not more than one year from the date of acquisition and issued by a bank in a Principal Jurisdiction; in all cases having capital, surplus and undivided profits aggregating at least US$500,000,000 (or the equivalent thereof in Canadian Dollars or in the currency of such Principal Jurisdiction) and whose short-term credit rating is, at the time of acquisition, accorded a short-term credit rating of at least A-1 by S&P, at least P-1 by Moody's or at least R-1(middle) by DBRS;

1.1.13.5 any repurchase agreement having a term of 30 days or less entered into with the Lender or any Person satisfying the criteria set forth in subsection 1.1.13.4 which is secured by a fully perfected security interest in any obligation of the type described in subsection 1.1.13.1 or 1.1.13.2 and has a market value at the time such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such commercial banking institution thereunder; and

1.1.13.6 investments in any security issued by an investment company registered under section 8 of the *Investment Company Act of 1940* (15 U.S.C. 80a-8) that is a money market fund in compliance with all applicable requirements of SEC Rule 2a-7 (17 CFR 270.2a-7);

1.1.14 " **Change in Law** " means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority, including any such change resulting from any quashing by a Governmental Authority of an interpretation of any Applicable Law or (c) the making or issuance of any Applicable Law by any Governmental Authority;

1.1.15 " **Change of Control** " means:

(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 Borrower 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 Borrower; 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 Borrower, 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 Borrower 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;

1.1.16 " **Claim** " has the meaning defined in Section 13.12;

1.1.17 " **Control** " means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise and " **Controlling** " and " **Controlled** " have corresponding meanings;

1.1.18 " **Credit Facility** " has the meaning defined in Section 2.1;

1.1.19 " **DBRS** " means DBRS Limited;

1.1.20 " **Debt** " means, with respect to a Person, without duplication, the aggregate of the following amounts, each calculated in accordance with GAAP, unless the context otherwise requires:

1.1.20.1 all obligations that would be considered to be indebtedness for borrowed money (including, without limitation, by way of overdraft and drafts or orders accepted representing extensions of credit), and all obligations (whether or not with respect to the borrowing of money) that are evidenced by bonds, debentures, notes or other similar instruments;

1.1.20.2 reimbursement obligations under bankers' acceptances and contingent obligations of such Person in respect of any letter of credit, letters of guarantee, bank guarantee, surety bond, performance bond and similar instruments;

1.1.20.3 all liabilities upon which interest charges are paid or are customarily paid by that Person;

1.1.20.4 any Equity Interests of that Person (or of any Subsidiary of that Person) which Equity Interests, by their terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, prior to the later of (a) the Syndicated Credit Agreement Maturity Date and (b) the latest expiry date of the outstanding Letters of Credit, for cash or securities constituting Debt (read without reference to this subsection 1.1.20.4) unless the issuer of such Equity Interests has by the terms of such Equity Interests the option of repaying such amounts or retiring or exchanging such Equity Interests with Equity Interests not convertible or exchangeable or redeemable for Debt (read without reference to this subsection 1.1.20.4);

1.1.20.5 all Capital Lease Obligations, obligations under Synthetic Leases, obligations under sale and leaseback transactions (unless the lease component of the sale and leaseback transaction is an operating lease) and indebtedness under arrangements relating to purchase money liens and other obligations in respect of the deferred purchase price of property and services; and

1.1.20.6 the amount of the contingent obligations under any guarantee (other than by endorsement of negotiable instruments for collection or deposit in the Ordinary Course) or other agreement assuring payment or performance of any obligation in any manner of any part or all of an

obligation of another Person of the type included in subsections 1.1.20.1 through 1.1.20.5 above,

other than trade payables incurred in the Ordinary Course and payable in accordance with customary practices;

1.1.21 " **Default** " means an event or circumstance, the occurrence or non-occurrence of which would, with the giving of a notice, lapse of time or combination thereof or other condition subsequent, constitute an Event of Default;

1.1.22 " **Derivative Instrument** " means an agreement entered into from time to time by a Person in order to control, fix or regulate currency exchange, commodity price or interest rate fluctuations, including a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions and any combination of these transactions);

1.1.23 " **Draft** " means any draft, demand or other request for payment drawn or issued under or in respect of a Letter of Credit;

1.1.24 " **Effective Date** " means the date on which all of the conditions specified in Section 8.1 are satisfied or waived by the Lender, as confirmed in a written notice from the Lender to the Borrower;

1.1.25 " **Environmental Claims** " means any claims (including, without limitation, third party claims, whether for personal injury or real or personal property damage or otherwise), actions, administrative proceedings (including informal proceedings), judgments, liens, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims), interest or losses, including reasonable legal fees and expenses (including any such fees and expenses incurred in enforcing the Loan Documents or collecting any sums due under same), consultant fees, and expert fees, together with all other costs and expenses of any kind or nature that arise directly or indirectly from or in connection with any Applicable Laws, or any failure or breach in respect thereof, that is or allegedly is applicable to any Obligor, its respective properties, operations or actions to the extent the same arose out of the relationships and arrangements created and contemplated hereby;

1.1.26 " **Equity Interests** " means, with respect to any Person, all shares, interests, units, trust units, partnership, membership or other interests, participations or other equivalent rights in the Person's equity or capital, however designated, whether voting or non voting, whether now outstanding or issued after the Effective Date, together with warrants, options or other rights to acquire any such equity interests of such Person and securities convertible into or exchangeable for any such equity interests of such Person;

1.1.27 " **Event of Default** " means an event or circumstance described in Section 10.1;

1.1.28 " **Excluded Taxes** " means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation under the Loan Documents, (a) taxes imposed on or measured by its overall net income or capital, and franchise taxes imposed on it (in lieu of net income taxes) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located, or in the case of the Lender, in which its applicable lending office is located, (b) any branch profits taxes or any similar tax imposed by the jurisdiction in which the applicable lending office of the Lender is located and (c) in the case of any payment made by the Borrower to a Foreign Lender (other than (i) an Assignee pursuant to an assignment, transfer or other disposition made when an Event of Default has occurred which is continuing or (ii) any other Assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that is imposed during the time such Foreign Lender is a party hereto (or designates a new lending office) on amounts payable from time to time by the Borrower to such Foreign Lender, except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts with respect to such withholding tax pursuant to Section 5.3. For greater certainty, for purposes of item (c) above, a withholding tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto;

1.1.29 " **Exempt Subsidiary** " has the meaning defined in Section 7.1. On the date hereof, the only Exempt Subsidiaries are Agnico-Eagle Mines Mexico Cooperatie U.A. and Agnico-Eagle Mines Sweden Cooperatie U.A.;

1.1.30 " **Federal Funds Effective Rate** " means, for any period, a fluctuating interest rate per annum equal, for each day during such period, to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by USA federal funds brokers as published for such day (or, if such day is not a Banking Day, for the immediately preceding Banking Day) by the Federal Reserve Bank of New York or, for any day on which such rate is not so published for such day by the Federal Reserve Bank of New York, the average of the quotations for such day for such transactions received by the Lender from three Federal Funds brokers of recognized standing selected by the Lender. If for any reason the Lender shall have determined, acting reasonably, that it is unable to ascertain the Federal Funds Effective Rate for any reason, including without limitation, the inability or failure of the Lender to obtain sufficient bids or publications in accordance with the terms hereof, the Lender's announced US Base Rate will apply;

1.1.31 " **First Currency** " has the meaning defined in Section 11.1;

1.1.32 " **Foreign Lender** " means any Lender that is not organized under the laws of Canada, or a province or territory thereof, and that is not otherwise considered or deemed to be resident in Canada for income tax or withholding tax purposes;

1.1.33 " **FX Rate** " has the meaning defined in Section 11.1;

1.1.34 " **GAAP** " means the generally accepted accounting principles in effect from time to time in the USA;

1.1.35 " **Governmental Authority** " means the government of Canada or any other nation, or of any political subdivision thereof, whether provincial, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;

1.1.36 " **Guarantees** " means the guarantees delivered or required to be delivered under Article 7;

1.1.37 " **Guarantor** " means each Subsidiary of the Borrower that has executed and delivered a Guarantee and has complied with the other applicable requirements of Article 7, and has not ceased to be a Guarantor pursuant to Article 7;

1.1.38 " **Indemnified Party** " has the meaning defined in Section 13.12;

1.1.39 " **Indemnified Taxes** " means Taxes other than Excluded Taxes;

1.1.40 " **Information** " has the meaning defined in Section 13.13.2;

1.1.41 " **Issuance Date** " means the date, which shall be a Business Day, of the issuance of a Letter of Credit;

1.1.42 " **LC Indemnitees** " has the meaning defined in Section 3.1.6.1;

1.1.43 " **Lender** " means The Bank of Nova Scotia;

1.1.44 " **Letter of Credit** " means any documentary letter of credit, stand-by letter of credit and letter of guarantee issued by the Lender in accordance with the provisions hereof or which the Borrower and the Lender agree is a "Letter of Credit" hereunder;

1.1.45 " **Letter of Credit Fee** " ; has the meaning defined in Section 3.1.2;

1.1.46 " **Letter of Credit Obligations** " means, as at any date of determination, the aggregate undrawn amount of all outstanding Letters of Credit plus the aggregate of all unreimbursed drawings under Letters of Credit;

1.1.47 " **Loan Documents** " means this Agreement, the Guarantees and all other agreements, documents and instruments to which an Obligor is a party delivered under or in relation to the Credit Facility from time to time;

1.1.48 " **Loan Obligations** " means all Letter of Credit Obligations, together with interest thereon and all other debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender in any currency or remaining unpaid by the Borrower to the Lender in any currency, in each case, under or in connection with this Agreement, whether arising from dealings between the Lender and the Borrower or from any other dealings or proceedings by which the Lender may be or become in any manner whatsoever creditor of the Borrower under or in connection with this Agreement, and wherever incurred, and whether incurred by the Borrower alone or with another or others and whether as principal or surety, and all interest, fees, commissions, legal and other costs, charges and expenses incurred under or in connection with this Agreement;

1.1.49 " **Material Adverse Effect** " means any material adverse change in or material adverse effect on (a) the business, affairs, property, liabilities or financial condition of the Obligors taken as a whole, (b) the ability of the Obligors, taken as a whole, to observe, perform or comply with their obligations under any of the Loan Documents or (c) the rights and remedies of the Lender under any of the Loan Documents;

1.1.50 " **Material Subsidiary** " means any Subsidiary of the Borrower (whether or not wholly-owned) (a) that, as of the end of any fiscal quarter of the Borrower, has total consolidated or unconsolidated assets having a book value of US$40,000,000 (or the equivalent amount in any other applicable currency at the applicable FX Rate) or more, or (b) that, as of the end of any fiscal quarter of the Borrower, has total consolidated or unconsolidated revenue for the last 12 months of US $20,000,000 (or the equivalent amount in any other applicable currency at the applicable FX Rate) or more;

1.1.51 " **Maturity Date** " means the date which is fifteen (15) days after the Lender gives the Borrower notice under Section 2.4;

1.1.52 " **Moody's** " means Moody's Investors Service, Inc.;

1.1.53 " **Notice of Borrowing** " means a notice substantially in the form of Exhibit A transmitted to the Lender by the Borrower in accordance with Section 3.1.1;

1.1.54 " **Obligors** " means the Borrower, the Guarantors and the Exempt Subsidiaries;

1.1.55 " **Ontario Obligors** " means the Borrower, 1715495 Ontario Inc. and 1641315 Ontario Inc.;

1.1.56 " **Ordinary Course** " means, with respect to an action taken by a Person, that the action is taken in the usual course of the normal day-to-day operations of the Person;

1.1.57 " **Other Taxes** " means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document;

1.1.58 " **Participant** " has the meaning defined in Section 12.3;

1.1.59 " **Permitted Assignment Transaction** " means any transaction that involves a merger, consolidation, amalgamation, statutory arrangement (involving a business combination) or other reorganization of any Obligor with, or liquidation, wind-up or dissolution of any Obligor into, any other Person, where such transaction consists of one of more of the following:

1.1.59.1 a Capital Reorganization of a Guarantor;

1.1.59.2 a Capital Reorganization of the Borrower in which the holders of the Equity Interests of the Borrower immediately prior to the Capital Reorganization continue to have, directly or indirectly, more than 50% of the Equity Interests of the Borrower or applicable Successor Entity (as defined below) immediately after such Capital Reorganization and no Default or Event of Default would result from such Capital Reorganization;

1.1.59.3 a Subsidiary of an Obligor that is not an Obligor enters into any merger, consolidation, amalgamation, statutory arrangement (involving a business combination) or other reorganization with, or liquidation, wind-up or dissolution into, an Obligor so long as no Default or Event of Default is then existing and no Default or Event of Default would result from the consummation of such transaction;

1.1.59.4 an Obligor (the " **Predecessor Obligor** ") enters into any merger, consolidation, amalgamation, statutory arrangement (involving a business combination) or other reorganization with, or liquidation, wind-up or dissolution of the Obligor into, any other Person (which may be an Obligor) provided that:

1.1.59.4.1 the successor entity formed as a result of such transaction or the entity surviving such transaction, as applicable (each, a " **Successor Entity** ") shall (A) have the corporate (or analogous) power and authority to perform the obligations of the Predecessor Obligor under the Loan Documents to which the Predecessor Obligor is party, and (B) as soon as practicable, and in any event, within five Business Days,

following such transaction, expressly confirm and, if the Successor Entity is not the surviving Predecessor Obligor, assume all the obligations of the Predecessor Obligor under this Agreement and the other Loan Documents to which the Predecessor Obligor is a party pursuant to such documentation as may be reasonably satisfactory to the Lender;

1.1.59.4.2 such transaction does not materially impair the ability of any Obligor to perform its obligations under any Loan Document to which it is a party;

1.1.59.4.3 no Default or Event of Default is then existing and no Default or Event of Default would result from the consummation of such transaction; and

1.1.59.4.4 in the case of such a transaction involving the Borrower, (A) the Successor Entity shall be existing under the laws of the United States or any State thereof (including the District of Columbia), Canada or any Province thereof or any other country that on April 30, 2004 was a member of the European Union (other than Greece, Italy, Portugal or Spain) and (B) each Guarantor shall acknowledge that its Guarantee shall continue in full force and effect;

1.1.60 " **Person** " or " **person** " means any natural person, corporation, company, limited liability company, trust, joint venture, association, company, partnership, limited partnership, Governmental Authority, unlimited liability company or other entity;

1.1.61 " **Prime Rate** " means, on any day, the greater of (a) the reference rate of interest, expressed as an annual rate, publicly announced or posted from time to time by the Lender as being its reference rate then in effect for determining interest rates on commercial loans made in Canada in Canadian Dollars, and (b) the average one month bankers' acceptance rate quoted on Reuters Service, page CDOR, as at approximately 10:00 a.m. on such day, plus 0.50% per annum;

1.1.62 " **Prime Rate Basis** " means the basis of calculation of interest made at the Prime Rate;

1.1.63 " **Principal Currency** " means each of Canadian Dollars, US Dollars, Euros, British pounds, Swiss francs and Swedish kronor;

1.1.64 " **Principal Jurisdiction** " means each of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom;

1.1.65 " **Related Party** " means, with respect to any Person, such Person's Affiliates and the directors, officers and employees of such Person and such Person's Affiliates;

1.1.66 " **S&P** " means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.;

1.1.67 " **Second Currency** " has the meaning defined in Section 11.1;

1.1.68 " **Subsidiary** " means, with respect to a Person, a subsidiary of such Person as defined in the *Business Corporations Act* (Ontario) as of the date of this Agreement (determined as if each such Person were a body corporate);

1.1.69 " **Syndicated Credit Agreement** " means the second amended and restated credit agreement dated as of August 4, 2011 between Agnico-Eagle Mines Limited, as borrower, the guarantors from time to time party thereto, The Bank of Nova Scotia, as administrative agent and joint lead arranger, The Toronto-Dominion Bank, as joint lead arranger, and the Lenders from time to time party thereto;

1.1.70 " **Syndicated Credit Agreement Maturity Date** ", at any time, means the Maturity Date (as defined in the Syndicated Credit Agreement) then applicable under the Syndicated Credit Agreement;

1.1.71 " **Synthetic Lease** " means any synthetic lease or similar off-balance sheet financing product where such transaction is considered borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP;

1.1.72 " **Taxes** " means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto;

1.1.73 " **US Base Rate** " means on any day, the rate of interest, expressed as an annual rate, publicly announced or posted from time to time by the Lender as being its reference rate then in effect for determining interest rates on commercial loans granted in Canada in US Dollars to its customers (whether or not any such loans are actually made); provided that if the US Base Rate is, for any period, less than the Federal Funds Effective Rate plus 0.50% per annum, the US Base Rate shall be deemed to be equal to the Federal Funds Effective Rate plus 0.50% per annum;

1.1.74 " **US Base Rate Basis** " means the basis of calculation of interest on each issue of a Letter of Credit made at the US Base Rate, in accordance with Section 4.1;

1.1.75 " **US Dollars** " or " **US$** " means the lawful currency of the USA in same day immediately available funds or, if such funds are not available, the currency of the USA which is ordinarily used in the settlement of international banking operations on the day on which any payment or any calculation must be made pursuant to this Agreement; and

1.1.76 " **USA** " means the United States of America.

1.2 **Interpretation**

In this Agreement, unless stipulated to the contrary or the context otherwise requires:

1.2.1 words used herein which indicate the singular include the plural and vice versa and words used herein which indicate one gender include all genders;

1.2.2 references to contracts, unless otherwise specified, are deemed to include all present and future amendments, supplements, restatements or replacements to or of such contracts;

1.2.3 references to any legislation, statutory instrument or regulation or a section or other provision thereof, unless otherwise specified, is a reference to the legislation, statutory instrument, regulation, section or other provision as amended, restated or re-enacted from time to time;

1.2.4 references to any thing includes the whole or any part of that thing and a reference to a group of things or Persons includes each thing or Person in that group;

1.2.5 references to a Person includes that Person's successors and permitted assigns; and

1.2.6 any reference to a time shall mean local time in the City of Toronto, Ontario.

1.3 **Currency**

Unless the contrary is indicated, all amounts referred to herein are expressed in Canadian Dollars.

1.4 **Division and Titles**

The division of this Agreement into Articles, Sections, subsections, paragraphs, clauses and other subdivisions and the insertion of titles are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

2. THE CREDIT FACILITY

2.1 **Amount of Credit Facility**

Subject to the applicable provisions hereof, the Lender shall, in its sole and absolute discretion, issue, at the request of the Borrower, Letters of Credit for the use of the Borrower in the maximum aggregate amount outstanding at any time not exceeding C$150,000,000 or the equivalent thereof in US Dollars, provided that the maximum aggregate amount of Letters of Credit outstanding at any time in US Dollars shall not exceed US$2,000,000 (the " **Credit Facility** ").

2.2 **Uncommitted Nature of Facility**

Notwithstanding any other provision of this Agreement, the Credit Facility is on an uncommitted basis, and the Borrower acknowledges and agrees that:

2.2.1 the Lender has no obligation to issue any Letter of Credit, the decision as to whether any Letter of Credit is issued being in the sole and absolute discretion of the Lender, and the Borrower has no right to receive or require the issue of any Letter of Credit; and

2.2.2 the Lender shall incur no liability of any nature or kind to the Borrower or any other Person as a result of any refusal by the Lender to issue any Letter of Credit, including any consequences arising therefrom.

2.3 **Purpose/Use of the Credit Facility**

The Credit Facility may be used by the Borrower to support (a) its or its Subsidiary's reclamation obligations or (b) its or its Subsidiary's non-financial or performance obligations that are not directly related to its reclamation obligations.

2.4 **Term**

The Lender shall use its commercially reasonable efforts to provide the Borrower with not less than 15 days' prior written notice if the Lender is no longer willing to consider issuing Letters of Credit, although the failure to provide such notice shall not result in any obligation on the Lender to issue any Letters of Credit or any liability of any kind on the part of the Lender.

3. PROVISIONS RELATING TO LETTERS OF CREDIT

3.1 **Letters of Credit**

3.1.1 Issuance . Subject to the applicable provisions of this Agreement, on any Business Day, upon delivery of a Notice of Borrowing to the Lender three Business Days' prior to the requested issuance of a Letter of Credit (or such longer period of time as the Lender may reasonably require to settle the form of the proposed Letter of Credit), the Borrower may request to be issued by the Lender one or more Letters of Credit in a maximum aggregate amount outstanding at any time not exceeding C$150,000,000 or the equivalent thereof in US Dollars, provided that the maximum aggregate amount of Letters of Credit outstanding at any time in US Dollars shall not exceed US$2,000,000. Subject to the foregoing, each Letter of Credit shall be issued in Canadian Dollars or US Dollars. Concurrently with the delivery of a Notice of Borrowing requesting a Letter of Credit, the Borrower shall execute and deliver to the Lender the documents required by the Lender in respect of the requested type of Letter of Credit, including a Letter of Credit application and indemnity on the Lender's standard forms or as is otherwise required by the Lender. In the event of any conflict between the provisions of this Agreement and the provisions of any document relating to a Letter of Credit, the

provisions of this Agreement shall govern and prevail. Each Letter of Credit shall have a term of not more than one year and shall otherwise be in form and substance satisfactory to the Lender, acting reasonably. The Lender shall not be required to issue any Letter of Credit if such issuance would breach any Applicable Law or any internal policy of the Lender.

3.1.2 Letter of Credit Fee. On the first Business Day following completion of each fiscal quarter of the Borrower, the Borrower shall pay to the Lender in arrears a letter of credit fee in an amount equal to the product of 0.75% per annum and the average undrawn face amount of each outstanding Letter of Credit for the actual number of days to elapse from and including the date of issuance or renewal, as applicable, of the Letter of Credit to but excluding the expiry date of such Letter of Credit, calculated on the basis of a 365 or 366 day year, as applicable, which fee shall be non-refundable in whole or in part (the " **Letter of Credit Fee** ").

3.1.3 Additional Fees . The Borrower shall also pay or reimburse the Lender for all customary administrative, issuance, amendment, payment and negotiation fees paid, payable or charged by the Lender in connection with any Letter of Credit issued by it.

3.1.4 General Provisions Relating to Letters of Credit .

3.1.4.1 The Lender shall not be liable for the consequences arising from any mutilation, error, omission, interruption or delay or loss in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit. Subject to the immediately preceding sentence, in furtherance and extension and not in limitation of the specific provisions of this Section 3.1 (a) any action taken or omitted by the Lender or any of its respective correspondents under or in connection with any of the Letters of Credit, if taken or omitted in good faith and in conformity with Applicable Law or customs applicable thereto, shall be binding upon the Borrower and shall not put the Lender or its respective correspondents under any resulting liability to the Borrower and (b) the Lender may accept documents in good faith and in conformity with Applicable Law or customs applicable thereto relating to Letters of Credit, without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of such documents, provided that the Lender shall have the right, in its sole discretion, to decline to accept such documents and decline to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit. Without limiting the generality of the foregoing, the Lender may receive, accept, or pay as complying with the terms of any Letter of Credit, any demand in relation thereto otherwise in order which may be signed by, or issued to, any administrator, executor, trustee in

bankruptcy, receiver or other Person or entity acting as the representative or in place of, the beneficiary.

3.1.4.2 The Borrower acknowledges and confirms to the Lender that the Lender shall not be obliged to make any inquiry or investigation as to the right of any beneficiary to make any claim or Draft or request any payment under a Letter of Credit and payment by the Lender pursuant to a Letter of Credit shall not be withheld by the Lender by reason of any matters in dispute between the beneficiary thereof and the Borrower. The sole obligation of the Lender with respect to Letters of Credit is to cause to be paid a Draft drawn or purporting to be drawn in accordance with the terms of the applicable Letter of Credit and for such purpose the Lender is only obliged to determine that the Draft purports to comply with the terms and conditions of the relevant Letter of Credit.

3.1.4.3 The Lender shall not have any responsibility or liability for or any duty to inquire into the form, sufficiency (other than to the extent provided in subsection 3.1.4.2), authorization, execution, signature, endorsement, correctness (other than to the extent provided in subsection 3.1.4.2), genuineness or legal effect of any Draft, certificate or other document presented to it pursuant to a Letter of Credit and the Borrower unconditionally assumes all risks with respect to the same. The Borrower agrees that it assumes all risk of the acts or omissions of the beneficiary of any Letter of Credit with respect to the use by the beneficiary of the relevant Letter of Credit.

3.1.4.4 The Borrower agrees that the Lender shall have no liability to it for any reason in respect of or in connection with any Letter of Credit, the issuance thereof, any payment thereunder, or any other action by any such Person or any other Person in connection therewith, other than such liability that arose on account of the Lender's gross negligence or wilful misconduct.

3.1.5 Reimbursement Obligations . In the event of any drawing under a Letter of Credit, the Lender shall promptly notify the Borrower who shall immediately reimburse the amount drawn to the Lender in same day funds. The reimbursement obligations of the Borrower hereunder shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of:

3.1.5.1 any lack of validity or enforceability of any Letter of Credit or this Agreement or any term or provision therein or herein;

3.1.5.2 the existence of any claim, set-off, compensation, defence or other right that the Borrower, any other Obligor or any other Person may at any time have against the beneficiary under any Letter of Credit, the

Lender or any other Person, whether in connection with this Agreement or any other related or unrelated agreement or transaction;

3.1.5.3 any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;

3.1.5.4 any dispute between or among the Obligors and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Obligors against any beneficiary of such Letter of Credit or any such transferee;

3.1.5.5 the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or any of the rights or benefits thereunder or proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason; and

3.1.5.6 the occurrence of any event including the commencement of legal proceedings to prohibit payment by the Lender of a Letter of Credit.

The obligations of the Borrower hereunder with respect to Letters of Credit shall remain in full force and effect and shall apply to any amendment to or extension of the expiration date of any Letter of Credit.

3.1.6 Indemnification .

3.1.6.1 The Borrower agrees to indemnify and hold harmless the Lender and its Related Parties (collectively, the " **LC Indemnitees** ") from and against any and all losses, claims, damages and liabilities which the LC Indemnitees may incur (or which may be claimed against any LC Indemnitee by any Person) by reason of or in connection with the issuance or transfer of or payment or failure to pay under any Letter of Credit, provided that the foregoing indemnity will not, as to any LC Indemnitee, apply to losses, claims, damages, liabilities or related expenses to the extent they are found by a final, non-appealable judgment of a court to arise from the gross negligence or wilful misconduct of such LC Indemnitee or the failure of such LC Indemnitee to comply with the terms and conditions of such Letter of Credit (subject to minor variations or discrepancies in the documents presented in connection with such Letter of Credit).

3.1.6.2 The Borrower agrees that it shall assume all risks of the acts, omissions or misuse by the beneficiary of any Letter of Credit.

3.1.6.3 The Lender shall not, in any way, be liable for any failure by it or anyone else to pay any drawing under any Letter of Credit as a result of any action by any Governmental Authority or any other cause beyond the control of the Lender.

3.1.6.4 The obligations of the Borrower under this Section 3.1 shall survive the termination of this Agreement. No acts or omissions of any current or prior beneficiary of a Letter of Credit shall in any way affect or impair the rights of the Lender to enforce any right, power or benefit under this Agreement.

3.2 **Evidence of Indebtedness**

The Lender shall maintain records of the Loan Obligations. Such records shall constitute *prima facie* evidence of the Loan Obligations and all details relating thereto. After a request by the Borrower, the Lender shall promptly advise the Borrower of the entries in such records. The failure of the Lender to correctly record any such amount or date shall not, however, adversely affect the obligation of the Borrower to pay any Loan Obligations in accordance with this Agreement. The Lender shall, upon the reasonable request of the Borrower, provide any information contained in such records, and the Lender and the Borrower shall cooperate in providing all information reasonably required to keep all accounts accurate and up-to-date.

3.3 **Notices Irrevocable**

Any notice (including any deemed notice provided for herein) given to the Lender under Article 3 may not be revoked or withdrawn.

4. PROVISIONS RELATING TO INTEREST

4.1 **Interest**

If the Borrower fails to pay any amount of any Loan Obligations, including any interest thereon, any fees payable hereunder or any other amount payable hereunder on the date when such amount is due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest, to the extent permitted by Applicable Law, from and including such due date up to but excluding the date of actual payment, both before and after demand, Default or judgment, at a rate of interest per annum equal to two percent (2%) greater than, in the case of amounts payable in Canadian Dollars, the Prime Rate Basis, and in the case of amounts payable in US Dollars, the US Base Rate Basis, until paid in full (as well after, as before Default, maturity or judgment), with interest on overdue interest bearing interest at the same rate. All interest payable pursuant to this Section 4.1 shall be payable upon demand.

4.2 **Maximum Interest Rate**

The amount of the interest or fees payable in applying this Agreement shall not exceed the maximum rate permitted by Applicable Law. Where the amount of such interest or such fees is greater than the maximum rate, the amount shall be reduced to the highest rate that may be recovered in accordance with the applicable provisions of Applicable Law.

5. INCREASED COSTS, INDEMNIFICATION AND MARKET DISRUPTIONS

5.1 **Increased Costs**

5.1.1 General. If any Change in Law shall:

5.1.1.1 impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender;

5.1.1.2 subject the Lender to any Tax of any kind whatsoever with respect to this Agreement or any Letter of Credit made by it, or change the basis of taxation of payments to the Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 5.3 and the imposition, or any change in the rate, manner of application or administration, of any Excluded Tax payable by the Lender; or

5.1.1.3 impose on the Lender or the applicable interbank market any other condition, cost or expense affecting this Agreement or Letters of Credit by the Lender;

and the result of any of the foregoing shall be to increase the cost to the Lender of issuing or maintaining any Letter of Credit, or to reduce the amount of any sum received or receivable by the Lender hereunder, then upon request of the Lender and the delivery by the Lender to the Borrower of the certificate referred to in Section 5.2.3, the Borrower will pay to the Lender within 30 days of the receipt of such request and certificate such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

5.1.2 Capital Requirements. If the Lender determines that any Change in Law affecting it or any lending office of the Lender or its holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on the Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of this Agreement or the Letters of Credit issued by the Lender, to a level below that which the Lender or its holding company could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender or its holding company for any such reduction suffered.

5.1.3 Certificates for Reimbursement. A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or its holding company, as the case may be, as specified in subsection 5.2.1 or 5.2.2, including reasonable detail of the basis of calculation thereof and the event by reason of which it has become so entitled with reasonable particulars, and delivered to the Borrower shall be *prima facie* evidence of such amount or amounts owed. The Borrower

shall pay the Lender the amount shown as due on any such certificate within ten days after receipt thereof.

5.1.4 Delay in Requests . Failure or delay on the part of the Lender to demand compensation pursuant to this Section shall not constitute a waiver of the Lender's right to demand such compensation, except that the Borrower shall not be required to compensate the Lender pursuant to this Section for any increased costs incurred or reductions suffered more than six months prior to the date the Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the six month period referred to above shall be extended to include the period of retroactive effect thereof.

5.1.5 Notwithstanding the foregoing, the Borrower shall only be obligated to pay such additional amount or amounts under Section 5.2 if the Lender, as a general practice, also requires compensation therefor from its other customers, where such other customers are bound by similar provisions to the foregoing provisions of this Section and where, due to the type of credit facility or other arrangements such other customers have with the Lender or the industry or jurisdiction where such other customers carry on business, the Lender would be similarly affected (and because of the Lender's confidentiality obligations to its other customers, such conditions, if applicable, shall be confirmed as having been satisfied by the Lender in the certificate referred to in Section 5.2.3, which certificate shall be conclusive absent manifest error).

5.2 **Taxes**

5.2.1 Payments Free of Taxes . Any and all payments by or on account of any obligation of each Obligor hereunder or under any other Loan Document shall be made free and clear of and without deduction or withholding for any Indemnified Taxes or Other Taxes. If any Obligor or the Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of such payments by or on account of any obligation of an Obligor hereunder or under any other Loan Document, then (a) the sum payable shall be increased by that Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (b) the Obligor shall make any such deductions and withholdings required to be made by it under Applicable Law and (c) the Obligor shall timely pay the full amount required to be deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law.

5.2.2 Payment of Other Taxes by the Borrower. Without limiting the provisions of Section 5.2.1, the Obligors shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

5.2.3 Indemnification by the Borrower. The Borrower and each Guarantor shall indemnify the Lender, within thirty days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Lender, shall be *prime facie* evidence of such amount or payment.

5.2.4 Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

5.2.5 Status of Lender. If requested by the Borrower, the Lender (if not The Bank of Nova Scotia), shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not the Lender is subject to such withholding or related information reporting requirements and if the Lender ceases to be, or to be deemed to be, resident in Canada for the purposes of Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto shall, within five Business Days thereof, notify the Borrower in writing.

5.2.6 Treatment of Certain Refunds. If the Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by an Obligor or with respect to which an Obligor has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefitted from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or other Obligor, as applicable, an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or other Obligor under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Lender and without interest (other than an amount equal to the net after-Tax amount of any interest paid by the relevant Governmental Authority, if any, with respect to such refund). The Borrower or the other Obligor, as applicable, upon the request of the Lender, shall repay the amount paid over to the Borrower or other Obligor (plus any penalties, interest or other liens imposed by the relevant Governmental Authority) to the Lender if the Lender is required to repay such refund or reduction to such Governmental

Authority. This subsection shall not be construed to require the Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Obligors or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

5.3 **Mitigation Obligations**

If the Lender requests compensation under Section 5.2, requires the Borrower to pay any additional amount to it or any Governmental Authority for the account of the Lender pursuant to Section 5.3 or suspend its funding obligations hereunder pursuant to Section 5.1, then the Lender shall use reasonable efforts to designate a different lending office for funding or booking its Letter of Credit or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of the Lender, such designation or assignment (a) would eliminate or reduce amounts payable pursuant to Section 5.2 or 5.3 or eliminate the illegal event giving rise to the suspension of the Lender's obligations, as the case may be, in the future and (b) would not subject the Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to the Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by the Lender in connection with any such designation or assignment.

6. PROVISIONS RELATING TO PAYMENTS

6.1 **Currency of Payments**

All payments, repayments or prepayments, as the case may be:

6.1.1 of amounts drawn under a Letter of Credit shall be made in the same currency as the currency in which the Letter of Credit was issued;

6.1.2 of interest, shall be made in the same currency as the currency in which the Letter of Credit was issued; and

6.1.3 of fees, shall be made in Canadian Dollars alone.

6.2 **Payments by the Borrower to the Lender**

All payments to be made by the Borrower in connection with this Agreement shall be made to the Lender, at the Branch (or at any other office or account in Toronto designated by the Lender) in funds having same day value no later than 2:00 p.m. on the day any such payment is due.

6.3 **Payment on a Business Day**

Each time a payment is due on a day that is not a Business Day, it shall be made on the next Business Day together with applicable interest during such extension.

6.4 **No Set-Off or Counterclaim by Borrower**

All payments by the Borrower shall be made free and clear of and without any deduction or withholding for or on account of any set-off or counterclaim.

6.5 **Debit Authorization**

The Lender is hereby authorized to debit the account or accounts of the Borrower and each Guarantor maintained from time to time at the Branch or elsewhere, for the amount due and owing hereunder from time to time payable by the Borrower and the Guarantors, in order to obtain payment thereof.

7. GUARANTEES

7.1 **Guarantees**

The Borrower covenants and agrees that at all times the Subsidiaries which have granted guarantees of all or part of the obligations of the Borrower under or in connection with the Syndicated Credit Agreement (or if the Syndicated Credit Agreement has terminated, under or in connection with the Syndicated Credit Agreement immediately prior to its termination), except for any Subsidiary which is not permitted to grant a Guarantee of the Loan Obligations pursuant to the terms of the Syndicated Credit Agreement (or if the Syndicated Credit Agreement has terminated, was not permitted to grant a Guarantee of the Loan Obligations pursuant to the terms of the Syndicated Credit Agreement immediately prior to its termination) (each, an " **Exempt Subsidiary** "), shall have, to the same extent, granted Guarantees of the Loan Obligations to the Lender, and such Guarantees shall be in substantially the same form as the guarantee granted under the Syndicated Credit Agreement (or if the Syndicated Credit Agreement has terminated, in substantially the same form as the guarantee last granted under the Syndicated Credit Agreement, subject to such changes as may be reasonably required by the Lender, and acceptable to the Borrower, acting reasonably, as a result of any changes in Applicable Law). At the time each such Guarantee is granted after the Effective Date, the Borrower shall also cause to be delivered to the Lender the following as they relate to such Guarantee and the applicable Guarantor:

7.1.1 a certificate of such Guarantor with copies of its constating documents, a list of its officers, directors, trustees and/or partners, as the case may be, who are executing or who have executed Loan Documents on its behalf with specimens of the signatures of those persons, and copies of the corporate (or other equivalent) proceedings taken to authorize it to execute, deliver and perform its obligations under the Loan Documents and all internal approvals and authorizations of such Guarantor to permit it to enter into and to perform its obligations in relation thereto;

7.1.2 if and to the extent the same can be obtained, a certificate of status, certificate of compliance or an equivalent certificate issued by the relevant Governmental Authority in respect of such Guarantor evidencing the status or good standing of such Guarantor in its jurisdiction of incorporation or formation; and

7.1.3 the opinion of counsel to such Guarantor, addressed to the Lender, in relation to, among other things, such other Guarantor, and the Loan Documents to which it is a party and such other matters as the Lender may reasonably require.

7.2 **Additional Guarantors; Release**

7.2.1 After the Effective Date, if any Subsidiary of the Borrower which is not a Guarantor becomes a Guarantor, such Guarantor shall execute and deliver to the Lender an agreement substantially in the form of Exhibit B, together with all other items contemplated by Sections 7.1.1, 7.1.2 and 7.1.3, which relate to such Subsidiary.

7.2.2 Notwithstanding anything in this Agreement or in any Guarantee to the contrary, if a Subsidiary which has guaranteed all or part of the obligations of the Borrower under or in connection with the Syndicated Credit Agreement ceases, pursuant to the terms of the Syndicated Credit Agreement, to provide such guarantee and no Default or Event of Default has occurred and is continuing, upon notice by the Borrower to the Lender (which notice shall contain a certification by the Borrower that the Guarantors listed in the notice are no longer guarantors of the obligations under or in connection with the Syndicated Credit Agreement and no Default has occurred and is continuing) each of the Guarantors specified in such notice shall cease to be a Guarantor and shall be automatically released from its obligations under its Guarantee (without the need for the execution or delivery of any other document by the Lender or any other Person); provided that, if the Syndicated Credit Agreement has terminated, each Subsidiary which had guaranteed all or part of the obligations of the Borrower under or in connection with the Syndicated Credit Agreement immediately prior to its termination shall continue, to the same extent, to guarantee the Loan Obligations pursuant to Section 7.1.

8. CONDITIONS PRECEDENT

8.1 **Conditions to Effectiveness**

The following conditions precedent must be satisfied at or before the time of the initial issuance or deemed issuance of a Letter of Credit, unless waived by the Lender. Where delivery of any document or instrument is referred to, each such document or instrument shall be in full force and effect and in form and substance satisfactory to the Lender.

8.1.1 Loan Documents . All Loan Documents shall have been executed and delivered by the parties thereto, including Guarantees by each Guarantor, provided that, the Guarantee executed and delivered by Agnico-Eagle (Barbados) Limited shall be notarized under Applicable Law of Barbados within sixty (60) days of the Effective Date.

8.1.2 Corporate and Other Information . The Lender shall have received a certificate from each Ontario Obligor with copies of its constating documents, a list of its officers, directors, trustees and/or partners, as the case may be, who are executing

or who have executed Loan Documents on its behalf with specimens of the signatures of those persons, and copies of the corporate (or other equivalent) proceedings taken to authorize it to execute, deliver and perform its obligations under the Loan Documents and all internal approvals and authorizations of each Ontario Obligor to permit it to enter into and to perform its obligations in relation thereto.

8.1.3 Certificates of Status/Compliance . The Lender shall have received, where available, a certificate of status, certificate of compliance or an equivalent certificate issued by the relevant Governmental Authority in respect of each Ontario Obligor, dated within seven days of the Effective Date, evidencing the status or good standing of such Ontario Obligor in its jurisdiction of incorporation or formation.

8.1.4 Joinder Agreement . Agnico-Eagle (Barbados) Limited shall have executed and delivered a joinder agreement, whereby it agrees to be a party to this Agreement as if an original signatory hereto and to be bound by all obligations applicable to it as an Obligor hereunder (and, upon such execution and delivery, Agnico-Eagle (Barbados) Limited shall be deemed to be a party hereto), provided that, the joinder agreement executed and delivered by Agnico-Eagle (Barbados) Limited shall be notarized under Applicable Law of Barbados within sixty (60) days of the Effective Date.

8.1.5 Opinion . The Lender shall have received the following favourable legal opinion, in form and substance satisfactory to it: the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Ontario Obligors, addressed to the Lender, in relation to, among other things, the Ontario Obligors, and the Loan Documents to which they are a party and such other matters as the Lenders may reasonably require.

8.1.6 Other Matters . The following conditions must also be satisfied:

8.1.6.1 all reasonable, documented fees and expenses payable under the Loan Documents, and all reasonable, documented legal fees and expenses of the Lender's counsel invoiced prior to the Effective Date shall have been paid; and

8.1.6.2 the Lender shall have received such other documents as it may reasonably require.

9. REPORTING AND NOTICE REQUIREMENTS

During the term of this Agreement (excluding the duration of any provision hereof that survives termination of this Agreement), the Borrower promptly provide the Lender with all information, reports and certificates reasonably requested by the Lender from time to time concerning the business, financial condition and property of the Borrower and each other Obligor.

9.1 **Requirements for Notice**

The Borrower shall, promptly after it becomes aware thereof, notify the Lender of:

9.1.1 any Default or Event of Default;

9.1.2 the occurrence of any action, suit, dispute, arbitration, proceeding, labour or industrial dispute or other circumstance affecting it, the result of which if determined adversely would reasonably be expected to have a Material Adverse Effect, and shall from time to time provide the Lender with all reasonable information requested by any of the Lender concerning the status thereof; and

9.1.3 the occurrence or existence of event or circumstance known to it which would reasonably be expected to have a Material Adverse Effect;

provided that, if the Borrower has provided notification to the "Agent" under the equivalent of Sections 9.1.2 or 9.1.3 above under Syndicated Credit Agreement, the Borrower shall not be required to provide such notice hereunder.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 **Events of Default**

The occurrence of any of the following events shall constitute an Event of Default:

10.1.1 If the Borrower fails to pay any amount drawn under any Letter of Credit within three Business Days of when notified or demanded by the Lender; or

10.1.2 If the Borrower fails to pay any amount of interest, fees, commissions or other Loan Obligations when due, and such failure continues for five Business Days after such amount becomes due; or

10.1.3 If any Obligor breaches or fails to perform any of its obligations or undertakings hereunder or under any other Loan Document not otherwise contemplated by this Section 10.1 and has not remedied the Default within 30 days following the date on which the Lender has given written notice to the Borrower; or

10.1.4 If a default occurs under one or more agreements or instruments relating to Debt of the Borrower or any Material Subsidiary other than the Loan Obligations, if the effect of such default is to accelerate, or to permit the acceleration of the due date of such Debt (whether or not acceleration actually occurs), or if the Borrower or any Material Subsidiary fails to pay any amount under any Derivative Instrument when due, whether at maturity, upon acceleration, demand or otherwise; in an aggregate amount of US$50,000,000 or more (or the equivalent thereof in any other currency); or

10.1.5 If an Obligor denies its obligations under the Loan Documents or claims any of the Loan Documents to be invalid or unenforceable, in whole or in part; or any of the Loan Documents is invalidated or determined to be unenforceable by any act,

regulation or action of any Governmental Authority or is determined to be invalid or unenforceable by a court or other judicial entity of competent jurisdiction and such determination has not been stayed pending appeal, unless such invalidity or unenforceability can be cured and such invalidity or unenforceability is cured within 30 consecutive days of notice thereof being given by the Lender to the Borrower of the occurrence of such invalidity or unenforceability, unless such invalidity or unenforceability occurred as a result of a contest initiated, acquiesced in or consented to by an Obligor; or

10.1.6 If there occurs any Change of Control of the Borrower.

10.2 **Remedies**

Upon the occurrence of any Event of Default which is continuing, the Lender may declare immediately due and payable, without presentation, demand, protest or other notice of any nature, which the Borrower hereby expressly waives, notwithstanding any provision to the contrary effect in this Agreement or in the other Loan Documents, the entire amount of the Loan Obligations, including (subject to Section 10.4) the Letter of Credit Obligations then outstanding. The Borrower shall not have the right to invoke against the Lender any defence or right of action, indemnification or compensation of any nature or kind whatsoever that the Borrower may at any time have or have had with respect to any holder of one or more of the Letters of Credit issued in accordance with the provisions hereof and as and from such time the Lender may exercise all of its rights and recourses under the provisions of this Agreement and of the other Loan Documents. For greater certainty, after the Lender makes a declaration as contemplated by this Section 10.2 or the Loan Obligations otherwise become immediately due and payable, no Event of Default may be cured by the Borrower.

10.3 **Notice**

Except where otherwise expressly provided herein, no notice or demand of any nature is required to be given to the Borrower by the Lender in order to put the Borrower in default, the latter being in default by the simple lapse of time granted to execute an obligation or by the simple occurrence of a Default.

10.4 **Escrowed Funds for Letters of Credit**

10.4.1 Immediately upon any Loan Obligations becoming due and payable under Section 10.2, the Borrower shall, without necessity of further act or evidence, be and become thereby unconditionally obligated to deposit forthwith with the Lender cash or Cash Equivalents equal to the full face amount at maturity of all Letter of Credit Obligations.

10.4.2 The Borrower authorizes the Lender to debit its accounts with the amount required to pay such Letters of Credit. Such amounts paid to, or obtained by, the Lender in respect of Letters of Credit shall be applied against and shall reduce, to the extent of the amounts paid to, or obtained by the Lender, the obligations of the Borrower to pay amounts then or thereafter payable under Letters of Credit at the

times amounts become payable thereunder. The Borrower shall be entitled to receive interest on cash or Cash Equivalents held by the Lender under this Section if no Event of Default has occurred and is continuing, but the Lender shall not be responsible for the rate of return, if any, earned on such amounts.

10.4.3 If the Lender holds cash or Cash Equivalents in the amount of the full face amount of the Letter of Credit Obligations at the Maturity Date, such cash and Cash Equivalents shall be the property of the Lender to be applied as set out in Section 10.4.2, and except for any obligations herein which by their terms survive termination of this Agreement and which may relate to such outstanding Letters of Credit, the Borrower shall, upon payment in full of the Loan Obligations, or cancellation of all of the Loan Obligations by virtue of one or more Letters of Credit having expired or being returned to the Lender, have no further obligations under or in connection with such Letters of Credit.

10.5 **Costs**

If an Event of Default occurs, and within the limits contemplated by Section 13.23, the Lender may impute to the account of the Lender and pay to other Persons reasonable sums for services rendered with respect to obtaining payment hereunder and may deduct the amount of such costs and payments from the proceeds which it receives therefrom. The balance of such proceeds may be held by the Lender and, when the Lender decides it is opportune, may be applied to the account of the part of the Loan Obligations of the Borrower which the Lender deems preferable, without prejudice to the rights of the Lender against the Borrower for any loss of profit.

10.6 **Relations with the Obligors**

The Lender may grant extensions, renounce security (if any security has, at the time, been granted), accept compromises, grant acquittances and releases and otherwise negotiate with the Obligors, as it deems advisable in accordance with the terms of this Agreement, without in any way diminishing the liability of the Obligors nor prejudicing the rights of the Lender hereunder.

11. CURRENCY CONVERSION, ETC.

11.1 **Rules of Conversion**

If for the purpose of obtaining judgment in any court or for any other purpose hereunder, it is necessary to convert an amount due, advanced or to be advanced hereunder from the currency in which it is due (the " **First Currency** ") into another currency (the " **Second Currency** ") the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Lender could purchase, in the Canadian money market or the Canadian exchange market, as the case may be, the First Currency with the Second Currency on the date on which the judgment is rendered, the sum is payable or advanced or to be advanced, as the case may be. The Borrower agrees that its obligations in respect of any First Currency due from it to the Lender in accordance with the provisions hereof shall, notwithstanding any judgment rendered or payment made in the Second Currency,

be discharged by a payment made to the Lender on account thereof in the Second Currency only to the extent that, on the Business Day following receipt of such payment in the Second Currency, the Lender may, in accordance with normal banking procedures, purchase on the Canadian money market or the Canadian foreign exchange market, as the case may be, the First Currency with the amount of the Second Currency so paid or which a judgment rendered payable (the rate applicable to such purchase being in this Section called the (" **FX Rate** ")); and if the amount of the First Currency which may be so purchased is less than the amount originally due in the First Currency, the Borrower agrees as a separate and independent obligation and notwithstanding any such payment or judgment to indemnify the Lender against such deficiency. The agreements in this Section shall survive the termination of this Agreement and the repayment of all other amounts outstanding hereunder and under the other Loan Documents.

11.2 **Determination of Equivalent Amount in Other Currencies**

If, in its discretion, the Lender chooses or, pursuant to the terms of this Agreement, is obliged to choose, calculate or determine the equivalent in one currency of the amount in another currency the Lender, in accordance with the conversion rules stipulated in Section 11.1:

11.2.1 on any Issuance Date; or

11.2.2 at any other time when such a calculation or determination under this Agreement or any other Loan Document is contemplated;

shall, using the FX Rate at such time on such date, determine the equivalent amount in such currency, as the case may be, of any security or amount expressed in the other currency pursuant to the terms hereof. Immediately following such determination, the Lender shall inform the Borrower of the conclusion which the Lender has reached.

12. ASSIGNMENT

12.1 **Assignment by the Borrower**

The rights of the Borrower and each other Obligor under the provisions hereof may not be transferred or assigned except by operation of law pursuant to a Permitted Assignment Transaction, and no Obligor may otherwise transfer or assign any of its obligations, any such assignment being null and void and of no effect against the Lender and rendering any balance outstanding of the Loan Obligations immediately due and payable at the option of the Lender.

12.2 **Assignments by the Lender**

The Lender may sell, assign, transfer or otherwise dispose to any person (each, an " **Assignee** "), at any time and from time, this Agreement, or the Loan Documents, including, without limitation, the Lender's right, title, interest, remedies, powers and/or duties hereunder and thereunder, provided that, any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed, provided that it

shall be reasonable for the Borrower to withhold its consent if such assignment would give rise to a direct claim against an Obligor under Article 5 or Section 13.12), unless a Default or an Event of Default has occurred that is continuing. Each Obligor agrees that it shall execute and deliver such documents as the Lender may require, acting reasonably, in connection with any such sale, assignment, transfer or other disposition.

12.3 **Participations**

The Lender may at any time, without the consent of, the Borrower, sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor) (each, a " **Participant** ") in all or a portion of the Lender's rights and/or obligations under this Agreement; provided that (a) the Lender's obligations under this Agreement shall remain unchanged, (b) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, if any, and (c) the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement; provided further that, on or after any sale by the Lender of a participation, the Lender shall forthwith provide notice thereof to the Borrower. Any payment by a Participant to the Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower.

12.4 **Limitations Upon Participant Rights**

A Participant shall not be entitled to receive any greater payment under Sections 5.2 and 5.3than the Lender would have been entitled to receive with respect to the participation sold to such Participant. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 5.3 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with subsection 5.2.5 as though it were a lender to the Borrower.

13. MISCELLANEOUS

13.1 **Notices**

13.1.1 General . Except where otherwise expressly specified herein, all notices, requests, demands or other communications between the parties hereto shall be in writing and shall be made by prepaid registered mail, prepaid overnight courier, fax or physical delivery to the address or fax number of such party and to the attention indicated on the signature page of this Agreement of such party or to any other address, attention or fax number which such party hereto may subsequently communicate to each in writing in such manner. Any notice, request, demand or other communication shall be deemed to have been received by the party to whom it is addressed (a) upon receipt by the addressee (or refusal thereof), in the case of prepaid overnight courier or physical delivery, (b) three days after delivery in the mail, if sent by prepaid registered mail, and (c) on the day of transmission, if faxed before 5:00 p.m. (local time) on a Business Day, and on the next Business Day following transmission, if faxed after 5:00 p.m. (local time) on a Business Day; provided that, any notice to the Borrower shall be deemed to be notice to all

Obligors. If normal postal or fax service is interrupted by strike, work slow-down or other cause, the party sending the notice shall use such services which have not been interrupted or shall deliver such notice by messenger in order to ensure its prompt receipt by the other party. Notwithstanding any other provision in the Loan Documents, any notice, request, demand or other communication which is required to be given or delivered to any Guarantor hereunder or under any other Loan Document shall be deemed to have been given to and received by such Obligor if given in the manner required by this Section to the Borrower.

13.1.2 Electronic Communications . Notices and other communications by the Lender hereunder may be delivered or furnished by electronic communication (including email and Internet or intranet websites) pursuant to procedures approved by the Lender. The Lender or the Borrower may, in their discretion, agree to accept notices and other communications to each other hereunder by electronic communications pursuant to procedures approved by them, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Lender otherwise prescribes, (a) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the " **return receipt requested** " function, as available, return email or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (b) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (a) of notification that such notice or communication is available and identifying the website address therefor.

13.2 **Amendment and Waiver**

The rights, remedies and recourses of the Lender under this Agreement and the other Loan Documents are cumulative and do not exclude any other rights, remedies and recourses which the Lender might have, and no omission or delay on the part of the Lender in the exercise of any right shall have the effect of operating as a waiver of any such right, remedy or recourse, and the partial or sole exercise of a right, remedy, recourse or power will not prevent the Lender from exercising thereafter any other right, remedy, recourse or power. Without limiting the generality of the foregoing sentence, in the event that the Lender does not immediately make a declaration accelerating the Loan Obligations under Section 10.2 following the occurrence of an Event of Default, such absence of a declaration shall not be construed as a waiver of its right to make such a declaration and shall in no way hinder, estop or prevent the Lender from making such a declaration at a later time. The provisions of this Agreement may only be amended or waived by an instrument in writing in each case signed by the Lender and further, unless otherwise expressly provided herein, may only be amended by written instrument of the Obligors.

13.3 **Entire Agreement**

The entire agreement between the parties is expressed herein, and no variation or modification of its terms shall be valid unless expressed in writing and signed by the parties. All previous agreements, promises, proposals, representations, understandings and negotiations between the parties hereto which relate in any way to the subject matter of this Agreement are hereby deemed to be null and void.

13.4 **Indemnification and Set-Off**

In addition to the other rights now or hereafter conferred by Applicable Law and those described in Section 6.5, and without limiting such rights, following the occurrence of an Event of Default which is continuing, the Lender is hereby authorized by the Borrower and each Guarantor, at any time and from time to time, subject to the obligation to give notice to the Borrower subsequently and within a reasonable time, to set off, indemnify, compensate, use and allocate any deposit (general or special, term or demand, including any debt evidenced by certificates of deposit, whether or not matured) and any other debt at any time held or due by the Lender to the Borrower or a Guarantor or to its credit or its account, with respect to and on account of the Loan Obligations, including, without limitation, the accounts of any nature or kind which flow from or relate to this Agreement or the other Loan Documents, and whether or not the Lender has made demand under the terms hereof or has declared the amounts referred to in Section 10.2 as payable in accordance with the provisions of that Section and even if such obligation and Debt or either of them is a future or unmatured Debt.

13.5 **Benefit of Agreement**

This Agreement shall be binding upon and enure to the benefit of each party hereto and its successors and permitted assigns.

13.6 **Counterparts**

This Agreement may be signed in any number of counterparts, each of which shall be deemed to constitute an original, and all of the separate counterparts shall constitute one single document. Delivery of an executed counterpart of a signature page of this Agreement by fax or by sending a scanned copy by electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

13.7 **This Agreement to Govern**

In the event of any conflict or inconsistency between the terms of this Agreement and the terms of any other Loan Document, the provisions of this Agreement shall govern to the extent necessary to remove the conflict or inconsistency.

13.8 **Applicable Law**

This Agreement, its interpretation and its application shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

13.9 **Severability**

Each provision of this Agreement is separate and distinct from the others, such that any decision of a court or tribunal to the effect that any provision of this Agreement is null or unenforceable shall in no way affect the validity of the other provisions of this Agreement or the enforceability thereof. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, each Obligor hereby waives any provision of any Applicable Law that renders any provision hereof prohibited or unenforceable in any respect.

13.10 **Further Assurances**

Each Obligor covenants and agrees that, at the request of the Lender, it will at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things as the Lender may reasonably require in order to evidence the Debt of the Borrower under this Agreement or otherwise, to confirm its Guarantee or to further implement or evidence any provision hereof or of the other Loan Documents.

13.11 **Good Faith and Fair Consideration**

Each party hereto acknowledges and declares that it has entered into this Agreement freely and of its own will. In particular, each party hereto acknowledges that this Agreement was freely negotiated by it in good faith, there was no exploitation of the Obligors by the Lender and there is no serious disproportion between the consideration provided by the Lender and that provided by the Obligors.

13.12 **Indemnity**

The Borrower shall indemnify and hold harmless the Lender and its agents, consultants and advisors (other than agents, consultants and advisors to the extent that their costs and expenses are not, pursuant to Section 13.23, to be borne by the Borrower), and each of their Related Parties and each of their agents, consultants and advisors (other than agents, consultants and advisors to the extent that their costs and expenses are not, pursuant to Section 13.23, to be borne by the Borrower), (each, an " **Indemnified Party** ") from and against any and all claims, damages, losses, liabilities, costs and expenses (including, without limitation, reasonable fees and expenses of counsel), including Environmental Claims, (each, a " **Claim** ") that may be incurred by, or asserted or awarded against, any Indemnified Party, in each case arising out of, or in connection with, or by reason of, any investigation, litigation or proceeding (or the preparation for the defence of any investigation, litigation or proceeding), brought by Persons other than an Indemnified Party arising out of, related to or in connection with (a) this Agreement, (b) the other Loan Documents or (c) any of the transactions contemplated herein or therein or the

actual or proposed use of the Letters of Credit, whether or not such investigation, litigation or proceeding is brought by any Obligor, its directors, shareholders or creditors or by an Indemnified Party, or any other Person, or any Indemnified Party is otherwise a party thereto, and whether or not the transactions contemplated hereby are consummated; except to the extent such Claim (i) results from such Indemnified Party's gross negligence, wilful misconduct, fraud, bad faith or breach of any Loan Document to which such Indemnified Party is a party or relates to the liability of an Indemnified Party to an Obligor under any Loan Document, (ii) relates solely to a Claim between Indemnified Parties resulting from a Claim brought by any Person, with no fault on the part of any Obligor or (iii) relates solely to the issuance or transfer of or payment or failure to pay under any Letter of Credit (which matters are dealt with in Section 3.1.6); provided that in the case of clauses (i) and (ii) above, the Borrower has obtained a judgment in its favour of a court of competent jurisdiction. Each Obligor agrees not to assert any claim against any Indemnified Party, and, without in any way limiting any of their other rights or remedies hereunder or at law, the Lender, also agrees not to assert any claim against any Obligor, its officers, directors, employees, agents or advisors, on any theory of liability for special, indirect, consequential or punitive damages arising out of or otherwise relating to this Agreement and the other Loan Documents and any of the transactions contemplated herein or therein or the actual or proposed use of the proceeds of the Letters of Credit. The agreements in this Section shall survive the termination of this Agreement and the repayment of all other amounts outstanding hereunder and under the other Loan Documents.

13.13 **Confidentiality**

13.13.1 The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to it, its Affiliates and its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting having jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Law or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any Assignee of or Participant in, or any prospective Assignee of or Participant in, any of its rights or obligations under this Agreement, or (g) with the consent of the Borrower, or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Lender on a non-confidential basis from a source other than an Obligor.

13.13.2 For purposes of this Section, " **Information** " means all information received in connection with this Agreement from any Obligor or any Related Person in respect thereof or any of their respective advisors, in each case, relating to any

Obligor or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Lender may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

13.14 **Reinstatement**

This Agreement shall remain in full force and effect and continue to be effective if any petition or other proceeding is filed by or against the Borrower or any other Obligor for liquidation or reorganization, or if the Borrower or any other Obligor becomes insolvent or makes an assignment for the benefit of any creditor or creditors, or if an interim receiver, receiver, receiver and manager or trustee be appointed for all or any significant part of the property of the Borrower or any other Obligor, and shall continue to be effective or to be reinstated, as the case may be, if at any time payment and performance of the obligations hereunder or under the other Loan Documents, or any part thereof, is, pursuant to Applicable Law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of such obligations, whether as a fraudulent preference, a reviewable transaction, or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the obligations hereunder and under the other Loan Documents shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

13.15 **Submission to Jurisdiction**

Each Obligor irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the courts of the Province of Ontario, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Obligor or its property in the courts of any jurisdiction.

13.16 **Waiver of Venue**

Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 13.15. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

13.17 **Waiver of Jury Trial**

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

13.18 **Language**

The parties acknowledge that they have required that this Agreement, the Loan Documents and all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement ou à la suite de la présente convention.

13.19 **Third Party Beneficiaries**

Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 12.3 and, to the extent contemplated hereby, the Related Parties of each of the Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

13.20 **Formal Date**

For the purposes of convenience, this Agreement may be referred to as bearing the formal date of June 26, 2012, notwithstanding its actual date of signature.

13.21 **Swedish Companies Act**

Notwithstanding anything to the contrary herein, the obligations and liabilities of any Obligor incorporated under the laws of Sweden (each, a " **Swedish Obligor** ") under this Agreement and the scope of this Agreement as it relates to any such Swedish Obligor shall be limited if (and only if) required by an application of the provisions of the Swedish Companies Act (in Swedish: *Aktiebolagslagen (2005:551)*) regulating prohibited loans and guarantees and the distribution of assets, and it is understood that the obligations of the Swedish Obligor for its obligations and liabilities hereunder shall apply only to the extent permitted by the above-mentioned provisions as applied, together with other applicable provisions of the said Companies Act, and the Agreement shall be limited in accordance with this Section 13.21. For greater certainty, nothing in this Section 13.21 shall affect the obligations and liabilities of any other Obligor or any other aspect of this Agreement.

13.22 **Finnish Companies Act**

Notwithstanding anything to the contrary herein, the obligations and liabilities of any Obligor incorporated under the laws of Finland (each a " **Finnish Obligor** ") under this Agreement and the scope of this Agreement as it relates to any such Finnish Obligor shall be limited if (and only if) required by an application of the provisions of the Finnish Companies Act (in Finnish: Osakeyhtiölaki — 624/2006) regulating prohibited loans and guarantees and the distribution of assets, and it is understood that the obligations of the Finnish Obligor for its obligations and liabilities hereunder shall apply only to the extent permitted by the above-mentioned provisions as applied, together with other applicable provisions of the said Companies Act, and the Agreement shall be limited in accordance with this Section 13.22. For greater certainty, nothing in this Section 13.22 shall affect the obligations and liabilities of any other Obligor or any other aspect of this Agreement.

13.23 **Fees and Expenses**

Whether the transactions contemplated by this Agreement are concluded or not and whether or not any part of the Credit Facility is actually used, in whole or in part, the Borrower shall pay:

13.23.1 the reasonable, documented costs of the Lender for the preparation, negotiation, execution, delivery, administration, registration, publication and/or service of the term sheet and related documentation, this Agreement and the other Loan Documents, as well as any amendments, modifications, waivers, consents or examinations pertaining to this Agreement and the other Loan Documents; and

13.23.2 all reasonable, documented fees and out-of-pocket costs and expenses, including the legal fees and costs, incurred by the Lender to preserve, enforce, protect or exercise its rights hereunder or under the other Loan Documents, including all such fees and costs incurred during any workout, restructuring or negotiations in respect of the Credit Facility, any Letter of Credit and any Loan Obligations;

All amounts due to the Lenders pursuant to this Section 13.23 shall bear interest on the Prime Rate Basis from the date that is 30 days following demand (together with the delivery of any relevant invoice) by the Lender until the Borrower has paid the same in full, with interest on unpaid interest. The obligations of the Borrower under this Section 13.23 as such obligations relate to costs and expenses incurred prior to the repayment of the Loan Obligations and termination of this Agreement shall survive the repayment of the Loan Obligations and the termination of this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

40 King Street West
Scotia Plaza, 62nd Floor
Toronto, Ontario
M5W 2X6

Attention: Ray Clarke/ Ian Stephenson

Facsimile: (416) 866-2009

THE BANK OF NOVA SCOTIA

By: *(Signed) Ray Clarke*
Name: Ray Clarke
Title: Managing Director

By: *(Signed) Ian Stephenson*
Name: Ian Stephenson
Title: Director

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

AGNICO-EAGLE MINES LIMITED

By: *(Signed) Ammar Al-Joundi*
Name: Ammar Al-Joundi
Title: Senior Vice-President,
Finance & Chief Financial Officer

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

1715495 ONTARIO INC.

By: *(Signed) Ammar Al-Joundi*
Name: Ammar Al-Joundi
Title: Vice-President & Director

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

1641315 ONTARIO INC.

By: *(Signed) R. Gregory Laing*
Name: R. Gregory Laing
Title: Director

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

AGNICO-EAGLE SWEDEN AB

By: *(Signed) Ammar Al-Joundi*
Name: Ammar Al-Joundi
Title: Authorized Signatory

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

AGNICO-EAGLE FINLAND OY

By: *(Signed) R. Gregory Laing*
Name: R. Gregory Laing
Title: Authorized Signatory

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

AGNICO EAGLE MEXICO S.A. DE C.V.

By: *(Signed) R. Gregory Laing*
Name: R. Gregory Laing
Title: Authorized Signatory

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

TENEDORA AGNICO EAGLE MEXICO S.A. DE C.V.

By: *(Signed) R. Gregory Laing*
Name: R. Gregory Laing
Title: Authorized Signatory

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

AGNICO-EAGLE MINES MEXICO COOPERATIE U.A.

By: *(Signed) Ammar Al-Joundi*
Name: Ammar Al-Joundi
Title: Authorized Signatory

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

AGNICO-EAGLE MINES SWEDEN COOPERATIE U.A.

By: *(Signed) Ammar Al-Joundi*
Name: Ammar Al-Joundi
Title: Authorized Signatory

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

AGNICO-EAGLE (USA) LIMITED

By: *(Signed) R. Gregory Laing*
Name: R. Gregory Laing.
Title: Secretary, Treasurer and Director

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

9237-4925 QUÉBEC INC.

By: *(Signed) R. Gregory Laing*
Name: R. Gregory Laing
Title: Authorized Signatory

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

GRAYD RESOURCE CORPORATION

By: *(Signed) R. Gregory Laing*
Name: R. Gregory Laing
Title: Secretary and Director

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

IN WITNESS WHEREOF , the parties hereto have signed this Agreement on the date first hereinabove mentioned.

Address For Notice

c/o Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
M5C 2Y7

Attention: Ammar Al-Joundi

Facsimile: (416) 367-4681

RESOURCE GRAYD DE MEXICO, S.A. DE C.V.

By: *(Signed) R. Gregory Laing*
Name: R. Gregory Laing
Title: Secretary and Director

[signature page for Credit Agreement relating to The Bank of Nova Scotia, as lender, and Agnico-Eagle Mines Limited, as borrower]

EXHIBIT A
NOTICE OF BORROWING AND CERTIFICATE

[*See Section 3.1*]

TO: The Bank of Nova Scotia
Global Wholesale Services —
Loan Operations department
720 King Street West
Third Floor
Toronto, Ontario
M5V 2T3

Reference is made to the credit agreement dated as of June 26, 2012 between Agnico-Eagle Mines Limited, as borrower, the guarantors from time to time party thereto, and The Bank of Nova Scotia, as lender, as amended, supplemented, restated or replaced from time to time (the " **Credit Agreement** "). All terms used in this certificate and that are defined in the Credit Agreement will have the meanings defined in the Credit Agreement.

A. Request for Letter of Credit

Notice is hereby given pursuant to the Credit Agreement that the undersigned hereby irrevocably requests as follows:

1. that a Letter of Credit be made under the Credit Facility;

2. the face amount of the Letter of Credit shall be *[choose one]* [• Canadian Dollars (C$ •)/ • US Dollars (US$ •)]; and

3. the Issuance Date shall be .

4. The undersigned hereby confirms as follows:

   (a) no Default or Event of Default has occurred and is continuing on the date hereof or will result from the issuance of the Letter of Credit(s) requested herein; and

   (b) the undersigned will immediately notify you if it becomes aware of the occurrence of any event which would mean that the statements in the immediately preceding paragraph (a) would not be true if made on the Issuance Date.

DATED _____

AGNICO-EAGLE MINES LIMITED

By: _____
Name:
Title:

EXHIBIT B
ADDITIONAL GUARANTOR AGREEMENT

[*See Section 7.2*]

THIS AGREEMENT supplements the credit agreement dated as of June 26, 2012 between Agnico-Eagle Mines Limited, as borrower, the guarantors from time to time party thereto and The Bank of Nova Scotia, as lender, as amended, supplemented, restated or replaced from time to time (the " **Credit Agreement** ").

RECITALS:

A. All terms used in this Agreement that are defined in the Credit Agreement have the meanings defined in the Credit Agreement.

B. The Credit Agreement contemplates that further Subsidiaries of the Borrower shall become Guarantors in certain circumstances.

C. [•] (the " **New Subsidiary** ") is required or permitted by the Credit Agreement to become a Guarantor.

D. The New Subsidiary has delivered an opinion of its counsel and other resolutions and ancillary documents required by the Credit Agreement.

THEREFORE, for value received, and intending to be legally bound by this Agreement, the parties agree as follows:

1. The New Subsidiary hereby acknowledges and agrees to the terms of the Credit Agreement and agrees to be bound by all obligations of a Guarantor, and therefore an Obligor, under the Credit Agreement as if it had been an original signatory thereto.

2. The Lender acknowledges that the New Subsidiary is a Guarantor, and therefore an Obligor, as of the date of this Agreement.

3. This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

4. This Agreement and the other Loan Documents have been prepared and signed in English and the parties hereto agree that the English version hereof and thereof (to the maximum extent permitted by applicable law) shall be the only version valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language hereof or thereof, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in any jurisdiction in respect hereof or thereof.

5. This Agreement may be signed in counterparts and transmitted by facsimile or "PDF", each of which shall be considered an original and all of such counterparts taken together shall constitute one and the same agreement.

[*Note: additional foreign law provisions, if any, to be included, as applicable.*]

IN WITNESS OF WHICH, the undersigned have executed this Agreement as of [•].

THE BANK OF NOVA SCOTIA

By: _____
Name:
Title:

By: _____
Name:
Title:

[NEW SUBSIDIARY]

By: _____
Name:
Title:

By: _____
Name:
Title:

Exhibit 8.01

Subsidiaries

Name	Jurisdiction of Incorporation	Other names under which the entity operates
0901223 B.C. Ltd.	British Columbia	None
1641315 Ontario Inc.	Ontario	None
1715495 Ontario Inc.	Ontario	None
AEUS LLC	Nevada	None
Agnico-Eagle (Barbados) Limited	Barbados	None
Agnico-Eagle (USA) Limited	Nevada	None
Agnico-Eagle Finland Oy	Finland	None
Agnico Eagle Mexico, S.A. de C.V.	Mexico	None
Agnico-Eagle Mines Mexico Cooperatie U.A.	Netherlands	None
Agnico-Eagle Mines Sweden Cooperatie U.A.	Netherlands	None
Agnico-Eagle Sweden AB	Sweden	None
Agnico Sonora, S.A. de C.V.	Mexico	None
Genex Exploration Corp.	Yukon	None
Grayd Resource Corporation	British Columbia	None
Grayd Resources (USA), Inc.	Nevada	None
Minera Agave, S.A. de C.V.	Mexico	None
Minera Azor Dorado, S.A. de C.V.	Mexico	None
Oijarvi Resources Oy	Finland	None
Penna Insurance Inc.	Barbados	None
Pequop Exploration LLC	Nevada	None
Servicios Agnico del Pacifico, S.A. de C.V.	Mexico	None
Servicios Agnico Eagle Mexico, S.A. de C.V.	Mexico	None
Servicios Pinos Altos, S.A. de C.V.	Mexico	None
Tenedora Agnico Eagle Mexico, S.A. de C.V.	Mexico	None
West Pequop Project LLC	Nevada	None

Exhibit 11.01

AGNICO-EAGLE MINES LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

The Code of Business Conduct and Ethics (the "Code of Ethics") embodies the commitment of Agnico-Eagle Mines Limited (the "Corporation") and its subsidiaries to conduct our business in accordance with all applicable laws, rules and regulations and the highest ethical standards. **All employees and members of our Board of Directors are expected to adhere to those principles and procedures of the Code of Ethics that apply to them.**

Compliance and Reporting

Any employee or director who becomes aware of any existing or potential violation of the Code of Ethics may notify the Primary Contact or Secondary Contact in accordance with the procedures set out in the Confidential Anonymous Complaint Reporting Policy (the "Reporting Policy") for guidance and direction on the topic. All reports will be treated confidentially and it is the Corporation's policy not to allow retaliation against anyone for reports of misconduct made in good faith.

Conflicts of Interest

A "conflict of interest" occurs when an individual's personal interest improperly interferes with the interests of the Corporation. Conflicts of interest are prohibited as a matter of policy, unless they have been approved by the Corporation. In particular, an employee or director must never use or attempt to use his or her position at the Corporation to obtain any improper personal benefit for himself or herself, for his or her family members or for any other person.

Any employee or director who is aware of any situation that is or could reasonably be expected to give rise to a conflict of interest must discuss the matter promptly with the Primary (General Counsel) or Secondary (Sr VP Human Resources) Contact, who are specified in the Confidential Anonymous Complaint Reporting Policy.

Employees' Other Interests

While the Corporation recognizes and respects an employee's right to take part in financial, business and other activities outside their jobs, these activities must be free of conflict with their responsibilities as the Corporation's employees. Employees must avoid acquiring any interests or participating in any activities that might reasonably be regarded as:

i. creating an obligation or distraction which would affect their judgement or ability to act solely in the Corporation's best interests; or

ii. depriving the Corporation of the time or attention required to perform their duties properly.

Employees must disclose to their supervisor, in writing, all business, commercial or financial interests or activities which might reasonably be regarded as creating an actual or potential conflict with their duties of employment.

Each employee of the Corporation who has executive or supervisory responsibility is required to see that actions taken and decisions made within his or her jurisdiction are free from the influence of any interests that might reasonably be regarded as conflicting with those of the Corporation.

Public Disclosure

Information in the Corporation's public communications, including securities commission filings and communications with shareholders, must be full, fair, accurate, timely and understandable. All employees and directors who are involved in the Corporation's disclosure process are expected to act in furtherance of this policy. In particular, these individuals are required to be familiar with the disclosure requirements for the Corporation and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Corporation to others, whether within or outside the Corporation, including the Corporation's independent auditors. Additionally, any employee or director with a supervisory role in the Corporation's disclosure process is required to discharge his or her responsibilities diligently. For further guidance, employees and directors should refer to the Corporation's Statement of Disclosure Controls, Procedures and Policies.

Compliance with Laws, Rules and Regulations

Compliance with all applicable governmental laws, rules and regulations is essential to conducting our business. Each employee and director is expected to adhere to the standards and restrictions imposed by those laws, rules and regulations. For greater certainty, bribery (either providing a bribe or receiving a bribe) is against the law and is strictly prohibited.

Accountability

Employees and directors will be held accountable for their adherence to the Code of Ethics. Failure to observe the terms of the Code of Ethics may result in disciplinary action, including termination of employment or removal from the Board of Directors. Violations of the Code of Ethics may also constitute violations of law and may result in civil or criminal penalties for employees, directors and the Corporation.

Corporate Opportunities

Employees and directors are expected to advance the Corporation's legitimate business interests when the opportunity to do so arises. Employees and directors may not take for themselves (or direct to a third party) a business opportunity that is discovered through the use of the Corporation's property, information or position, unless the Corporation has already been offered the opportunity and turned it down. More generally, employees and directors are prohibited from using corporate property, information or position to compete with the Corporation.

The line between personal benefits and those of the Corporation is often difficult to draw and sometimes both personal benefits and benefits to the Corporation may be derived from certain activities. If an employee or director has any questions that a personal use of the Corporation's property or services may not solely be for the benefit of the Corporation, he or she should discuss the matter with the Primary or Secondary Contact.

Confidentiality

In carrying out the Corporation's business, employees and directors often learn confidential or proprietary information about the Corporation, its customers, suppliers, business partners, or other third parties. Employees and directors must respect and support the confidentiality of such information, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes, among other things, any non-public information concerning the Corporation, including its businesses, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed. Employees and directors should refer to the policies set forth in the Corporation's statement of Disclosure Controls, Procedures and Policies under "Disclosure of Material Information", "Rumours", "Quiet Periods" and "Maintaining Confidentiality" for more detailed guidance on this topic.

Ore Reserves

The calculation of ore reserves and other mineral resources is to be made in a manner consistent with applicable laws, and the Corporation's policies and procedures. Ore reserve and other mineral resource estimates are considered confidential until made public by an officer with proper authority. Compliance with all legal requirements for the delineation of ore reserves and other mineral resources is critical.

Ore reserves are one of the primary bases for the valuation of the Corporation's securities. Accurate and timely disclosure of ore reserve and mineral resource data is critical to the integrity of the Corporation within the investment community.

Public Relations

The Corporation's Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), Chief Financial Officer ("CFO"), General Counsel and Vice President of Investor Relations are responsible for all public relations, including all contact with the media, shareholders, analysts and other members of the investment community. For further guidance on this topic, please refer to the Corporation's Statement of Disclosure Controls, Procedures and Policies.

IT USAGE

The Corporation provides its employees with Information Technology services and equipment to be used as business tools that will assist them in performing their job functions. Employees are to use these tools and services in a professional, lawful and ethical manner and in accordance to this document and the full policy document attached. And in turn, this will allow the Corporation to secure its intellectual data, protect the confidentiality of corporate information and maintain a professional corporate image in the industry.

Giving Gifts or Benefits

Employees and directors must not offer or give on behalf of the Corporation extravagant gifts or excessive entertainment or benefits to others.

Modest gifts and reasonable entertainment may be given for business purposes by appropriate employees or directors, where legally permitted and in accordance with local business practices, to persons or entities doing business or seeking to do business with the Corporation. No gift or entertainment should be of such value as to constitute a real personal enrichment of the recipient or to be perceived as such. Cash or cash value vouchers are not to be given. Gifts or entertainment given on behalf of the Corporation should be of a nature and amount that avoid embarrassment and would not reflect unfavourably on the Corporation or the recipient, if subjected to public scrutiny.

Receiving Gifts or Benefits

Employees and directors must not use their position to obtain personal gain or benefit from those doing or seeking to do business with the Corporation. Employees and directors must not seek any gifts, payments, services, loans, or other benefits.

Employees and directors are required to select and deal with suppliers, customers and others doing or seeking to do business with the Corporation in a completely impartial manner and be perceived by others to be acting in an impartial manner, without favour or preference based upon any considerations other than the best interests of the Corporation. Modest gifts and reasonable entertainment may be received from business associates of the Corporation. No gift, favour or entertainment shall be of such a nature as might affect, or reasonably be perceived to affect, an employee’s judgment or conduct in matters involving the Corporation. Cash or cash value vouchers are not to be accepted. Gifts or benefits of a more substantial nature from customers or suppliers are not encouraged. However, occasionally there are special circumstances that may apply and, in such cases, permission must be obtained from the Primary or Secondary Contact.

Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through illegal or unethical business practices. Stealing proprietary information, possessing or using trade secrets obtained without the consent of the owners, or inducing such disclosures by past or present employees of other companies is prohibited.

Each employee and director is expected to deal fairly with the Corporation's service providers, suppliers, competitors and employees. No employee or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

Limitation on Corporate Political Donations

Political donations may be made in the name of the Corporation subject to the prior approval of the Community Donations Committee, and subject to an aggregate annual limit of $100,000. Any amounts in excess of the $100,000 aggregate annual limit shall require Board approval. Directors, officers or employees may make political donations (in compliance with applicable laws) as individuals; the Corporation shall not reimburse any individual for such donations.

Equal Employment Opportunity and Harassment

Our personnel decisions are made on the basis of merit and contribution to the Corporation's success. Concern for the personal dignity and individual worth of every person is an indispensable element in our standard of conduct. The Corporation affords equal employment opportunity to all qualified persons without regard to any impermissible criterion or circumstance. This means equal opportunity in regard to each individual's terms and conditions of employment and in regard to any other matter that affects in any way the working environment of the employee. We do not tolerate or condone any type of discrimination prohibited by law, including harassment. Employees who experience or observe work-related discrimination, harassment or similar problems are urged to report them to the Primary or Secondary Contact.

Insider Trading

Securities legislation in Canada requires the Corporation to disclose material information in a timely manner. It also seeks to protect the public from abuse of material information by insiders of the Corporation before it is generally disclosed by imposing sanctions for such abuse. These sanctions may be imposed on directors and senior officers of the Corporation and other persons who have access to undisclosed material information about the Corporation as a result of that person's relationship with the Corporation (or an insider of the Corporation). They could, for example, be imposed on employees, family members of the Corporation's employees and on other persons who learn of undisclosed material information through the Corporation's employees.

It is both illegal and against policy for any employee or director who is aware of material non-public information relating to the Corporation, any of its customers, suppliers, service providers or other business partners, or any other company to buy or sell any securities of those issuers or to pass on the information to anyone else except in the necessary course of business. Accordingly, insiders and employees with knowledge of confidential or material information about the Corporation, or counter-parties in negotiations of material potential transactions, are prohibited from trading shares in the Corporation or any counter-party until the confidential or material information has been fully disclosed and a reasonable period of time has passed for such information to be widely disseminated.

Material information is information that would reasonably be expected to result in a significant change in, or to have a significant effect on, the market price or the value of a corporation's securities or which could affect the decision of a reasonable investor to invest in a corporation's securities. Examples include:

- a major acquisition or disposition;
- a significant change in capital or corporate structure;
- anticipated significant changes in earnings or production;
- change in dividends;
- significant litigation;
- entering into or loss of significant contracts;
- disputes with major contractors or suppliers; and
- public or private sale of additional securities.

This is not an exhaustive list and other information may also constitute material information.

To prevent insider trading violations and avoid embarrassing situations both for the Corporation and employees and directors, all officers, directors and certain senior employees of the Corporation are prohibited from selling or buying securities of the Corporation at frequent intervals and all directors, officers and employees are prohibited from selling such securities short at any time. (Note: despite the foregoing prohibition on short sales, a person may sell a security they do not own if they own another security convertible into the security sold or an option or right to acquire the security sold and, within ten days after the sale, they: (a) exercise the conversion privilege, option or right and deliver the security so acquired to the purchaser; or (b) transfer the convertible security, option or right to the purchaser.)

Purchases of the Corporation's securities should be made for long term investment rather than for speculative purposes. In addition, officers, directors and certain management level employees (as determined from time to time by the CEO, COO, CFO and General Counsel) of the Corporation must consult **in writing** with and obtain clearance **in writing** from the Primary or Secondary Contact before buying or selling securities of the Corporation or exercising any of the Corporation's options, other than pursuant to the Corporation's Incentive Share Purchase Plan. Unless it is clear that there is no undisclosed material information concerning the Corporation, clearance to complete a proposed trade will be denied. The Corporation's policy is to be cautious and conservative when granting or denying trading clearance in recognition of the fact that trades that create notoriety, even if they are ultimately found to be proper, tarnish the

Corporation's goodwill and reputation, especially among its shareholders and analysts. Approvals for a proposed transaction will be effective for five business days, unless revoked prior to that time. No shares of the Corporation may be purchased or sold or options exercised after that five business day period ends unless the approval is renewed.

Trading blackout periods will apply to those directors, officers and management-level employees during periods when financial statements are being prepared but results have not yet been publicly disclosed. The blackout period commences on the first day of the month following the end of an interim quarter and ends at the end of the second business day following the issuance of a news release disclosing quarterly results. At December 31 st only, the blackout period commences on January 15th of the following year, and ends at the end of the second business day following the issuance of a news release disclosing the audited year end results.

Blackout periods may be prescribed from time to time by the Disclosure Committee as a result of special circumstances relating to the Corporation pursuant to which insiders of the Corporation would be precluded from trading in securities of the Corporation. All parties with knowledge of such special circumstances should be covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers, auditors and counter-parties in negotiations of material potential transactions. The trading blackout periods do not apply to purchases and sales made pursuant to the Corporation's Dividend Reinvestment Plan or Incentive Share Purchase Plan.

Transactions that may be necessary or justifiable for independent reasons, including emergency expenditures and transactions planned before the employee or director learned the material information, are not exceptions to the foregoing trading restrictions. Even the appearance of an improper transaction must be avoided to prevent any potential risk to the Corporation or the individual. Violations of insider trading laws may be punishable by fines or imprisonment.

Certain "insiders" are obliged to file reports for all trades made by them in the Corporation's securities. The persons subject to this obligation include:

- directors and senior officers of the Corporation;
- directors and senior officers of the Corporation's subsidiaries; and
- beneficial owners of more than 10% of the votes attached to the voting securities of the Corporation as well as the directors and senior officers of such shareholders.

These insiders must file reports with various securities commissions in Canada. In order to ensure that insider trading reports are filed on a timely basis in all applicable jurisdictions, all approved transactions once completed must be reported immediately by insiders to the Assistant of the Legal Department (Virginia De La Cruz) at head office who will co-ordinate with such insiders the preparation and filing of all necessary insider trading reports.

Financial Controls and Records

Accounting and financial records must be maintained which accurately reflect all of the Corporation's transactions. Each operating unit is responsible for the design, implementation and maintenance of adequate systems of internal accounting and administrative controls.

The Corporation's accounting and financial records must reflect, in an accurate, complete and timely manner, all transactions affecting the Corporation in order to meet statutory requirements and to ensure proper preparation of the Corporation's financial statements in accordance with the applicable generally accepted accounting principles. Transactions must be properly authorized and approved and recorded in accordance with both the applicable generally accepted accounting principles and the highest standards of integrity. Accounting and financial records must be adequately protected from destruction or tampering.

While the management style adopted by the Corporation gives employees considerable discretion in their duties, all employees are responsible for establishing and maintaining an effective system of accounting and administrative controls in their area of responsibility. The objective of these controls is to provide assurance that all assets are adequately protected, properly used and the financial records accurately reflect the assets and liabilities of the Corporation. Management of the relevant operating unit is responsible for knowing what can go wrong in their area of responsibility, and to be alert for symptoms of wrongdoing, loss or errors. Notwithstanding this, regional Controllers or their equivalent are responsible for the overall integrity of the financial systems and controls in their regions. Accordingly they are expected and authorized to intervene to investigate and take action in situations at operations within their region where they believe financial controls are not meeting standards or are at risk of being circumvented.

No person may conceal information from management, the Corporation's internal or external auditors or legal counsel.

Internal control provides the Corporation with a system of "checks and balances" to assist in ensuring that accounting and administrative policies are complied with throughout the Corporation. This is not only a good business practice, but also ensures compliance with the various securities and tax laws to which the Corporation is subject.

Waivers Of The Code Of Ethics

The Corporation may waive certain provisions of the Code of Ethics when deemed absolutely appropriate under the circumstances. Any employee or director who believes that a waiver may be called for should discuss the matter with the Primary or Secondary Contact. Waivers for executive officers (including Senior Financial Officers) or directors of the Corporation may be made only by the Board of Directors or a committee of the Board. Waivers will be disclosed as required under applicable securities commission and stock exchange rules.

Acknowledgement

I, (insert name) hereby acknowledge having reviewed this Code and that I understand its provisions and will respect this Code and its intent at all times.

I further acknowledge that I have received and reviewed all sections of this Code listed below:

1) **CODE OF BUSINESS CONDUCT AND ETHICS**

2) **INFORMATION TECHNOLOGY USAGE POLICY**

3) **CONFIDENTIAL ANONYMOUS COMPLAINT REPORTING POLICY**

Signature Date

Please list any Conflicts of Interest with a detailed description of the Conflict below:

Conflict of Interest	Description of Conflict

Exhibit 12.01

CERTIFICATION

I, Sean Boyd, certify that:

1. I have reviewed this Annual Report on Form 20-F of Agnico-Eagle Mines Limited (the "Company");

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 Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) 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 13(a)-15(f) and 15d-15(f)) for the Company 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 Company, 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 Company'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 Company'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 Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 company'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 Company's internal control over financial reporting.

by /s/ Sean Boyd
Sean Boyd
Vice-Chairman, President and Chief Executive Officer

Toronto, Canada
March 28, 2013

Exhibit 12.02

CERTIFICATION

I, David Smith, certify that:

1. I have reviewed this Annual Report on Form 20-F of Agnico-Eagle Mines Limited (the "Company");

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 Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) 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 13(a)-15(f) and 15d-15(f)) for the Company 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 Company, 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 Company'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 Company'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 Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company'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 company'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 Company's internal control over financial reporting.

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

Toronto, Canada
March 28, 2013

Exhibit 13.01

CERTIFICATION OF 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

I, Sean Boyd, Vice Chairman, President and Chief Executive Officer of Agnico-Eagle Mines Limited (''Agnico-Eagle''), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

The Annual Report on Form 20-F of Agnico-Eagle for the year ended December 31, 2012 (the ''Report'') fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Agnico-Eagle.

by /s/ Sean Boyd
Sean Boyd
Vice-Chairman, President and Chief Executive Officer

Toronto, Canada
March 28, 2013

Exhibit 13.02

CERTIFICATION OF 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

I, David Smith, Senior Vice-President, Finance and Chief Financial Officer of Agnico-Eagle Mines Limited (''Agnico-Eagle''), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

The Annual Report on Form 20-F of Agnico-Eagle for the year ended December 31, 2012 (the ''Report'') fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Agnico-Eagle.

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

Toronto, Canada
March 28, 2013

Exhibit 15.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-8 as may be amended or supplemented (File No. 333-152004) pertaining to the Agnico-Eagle Mines Limited Amended and Restated Employee Stock Option Plan and the Agnico-Eagle Mines Limited Amended and Restated Incentive Share Purchase Plan of our reports dated March 26, 2013, with respect to the consolidated financial statements of Agnico-Eagle Mines Limited and to the effectiveness of internal control over financial reporting of Agnico-Eagle Mines Limited, which reports are included in the Annual Report on Form 20-F of Agnico-Eagle Mines Limited for the year ended December 31, 2012 filed with the Securities and Exchange Commission.

Toronto, Canada
March 28, 2013

ERNST & YOUNG LLP
Chartered Accountants
Licensed Public Accountants

Exhibit 15.03

CONSENT OF DANIEL DOUCET

I consent to the use of my name and the incorporation by reference of, and reference(s) to in the Registration Statements on Form F-10 (registration no. 333-174751), Form F-3D (registration no. 333-183723) and Form S-8 (registration nos. 333-130339 and 333-152004) of the information that I have prepared or supervised the preparation of as a "qualified person" under the Canadian Securities Administrators National Instrument 43-101 in the Annual Report on Form 20-F of Agnico-Eagle Mines Limited for the year ended December 31, 2012 filed with the Securities and Exchange Commission.

by /s/ Daniel Doucet
Daniel Doucet
Corporate Director, Reserve Development

March 28, 2013