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Measuring Up



This report summarizes Agnico-Eagle Mines Limited's (AEM) 2011 Corporate Social Responsibility (CSR) Report. If you would like a more detailed review of our performance, please consult the full CSR report which is available on our website at www.agnico-eagle.com. The full report has been prepared in accordance with the Sustainability Reporting Guidelines (G3) developed by the Global Reporting Initiative (GRI), including mining industry specific indicators incorporated in the Mining and Metals Sector Supplement. It also reports on our performance under the Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) Initiative.

Our Vision

Agnico-Eagle Mines Limited (AEM or Agnico-Eagle) is committed to creating economic value for our shareholders by operating in a safe, socially and environmentally responsible manner while contributing to the prosperity of our employees and the communities in which we operate. Our goal is to establish a strong financial foundation which will allow us to share the wealth that is created through our investment in the mining and extraction of gold, and act as catalysts for the development of sustainable communities.



On the cover: Senni Rauhala stands tall on our front cover, checking her height and seeing how she measures up against her brother Renne, newborn sister Selja and their mother Mari Finnila. Senni is the daughter of Keijo Rauhala, a mining engineer at our Kittila mine in Finland.

Senni is helping to bring the theme of AEM's third CSR report to life. Following an intense period of growth and expansion, we are working to ensure our performance measures up to AEM's core values, the expectations of our stakeholders, as well as to the best practices and standards of our industry. We also want to ensure our report is targeted to the issues that matter to both AEM and our stakeholders. By constantly measuring our performance against these evolving standards and expectations, we seek to advance our CSR programs and responsibly grow our gold business.

Our Values

Operate safely

Protect the environment

Treat people and communities with respect

Make a profit



2011 Performance Snapshot

We advanced our CSR performance in areas that are material to AEM's business and relevant to our stakeholders. The following are the key highlights, challenges and initiatives we undertook during the year:

- We established a Stakeholder Advisory Group to provide input and guidance into our CSR programs and the divisions continued with their local stakeholder engagement programs.
- AEM became a signatory to the International Cyanide Management Code and we are currently working toward site certifications.
- We were saddened to report a fatality at our LaRonde site and a serious accident resulting in permanent disability at our Meadowbank site, despite efforts to lower our overall lost-time accident (LTA) frequency.
- We conducted AEM's first global employee engagement survey: employees indicated they are engaged in their workplace, believe AEM is a good place to work, and are proud of our CSR and community programs (87% approval rating).
- Increased production from our sites resulted in a slight increase in GHG emissions, which are up over 2010 levels, while GHG intensity (emissions per tonne) decreased slightly.
- Local purchasing and hiring levels improved at most of our sites; local recruitment levels in Nunavut increased over 2010 levels; however, we continue to focus on reducing higher than average turnover rates.
- AEM was listed on Sustainalytics' Jantzi Social Index (JSI) for our solid social performance, relationships with indigenous communities, and commitment to employee health and safety.

AEM At-a-Glance

AEM is a Canadian-based gold producer with mines and exploration properties in Canada, Finland, Mexico and the United States, and a strong record of delivering quality growth in low risk regions. 2011 was a tough year for AEM: we posted a net loss of \$568.9 million following write-downs at Goldex and Meadowbank. Even through a difficult year, thanks to the efforts of employees and management we achieved record operating cash flows and record levels of gold production at Pinos Altos and Kittila.

Agnico-Eagle has a long and proud 55-year history. We have come a long way over that period but there is much more work to do. As we move into 2012, we will continue to measure our performance against the leading global standards of our industry and against the core values of our company. We look forward to our meetings with our communities and key stakeholders, as we seek to ensure our environmental and social objectives are both strategic to our business and relevant to our stakeholders.

Operating Mines



1 Kittila
Lapland, Finland

Open pit and underground mine, northern Finland

2011 payable production:
143,560 ounces of gold

Employees & contractors: 626

Record annual gold production and mill recoveries



2 Lapa
Quebec, Canada

Underground mine in Rivière-Héva, northwestern Quebec

2011 payable production:
107,068 ounces of gold

Employees & contractors: 292

Steady production performance throughout 2011



3 LaRonde
Quebec, Canada

Underground mine in Abitibi region, Quebec (gold, silver, zinc, copper, lead)

2011 payable production:
124,173 ounces of gold

Employees & contractors: 994

Production from deeper LaRonde Extension began in November 2011



4 Meadowbank
Nunavut, Canada

Open pit mine in Nunavut Territory, northern Canada

2011 payable production:
270,801 ounces of gold

Employees & contractors: 1,153

Optimized mine plan forecasts lower annual gold production over shorter mine life

Closed Sites

9 Cobalt-Coleman Properties
Ontario, Canada

Mining activities ceased in 1989

Post-closure monitoring and maintenance is being carried out

10 Eagle and Telbel
Quebec, Canada

Mining activities ceased in 1993

In the process of being reclaimed

11 Preissac Molybdenite
Quebec, Canada

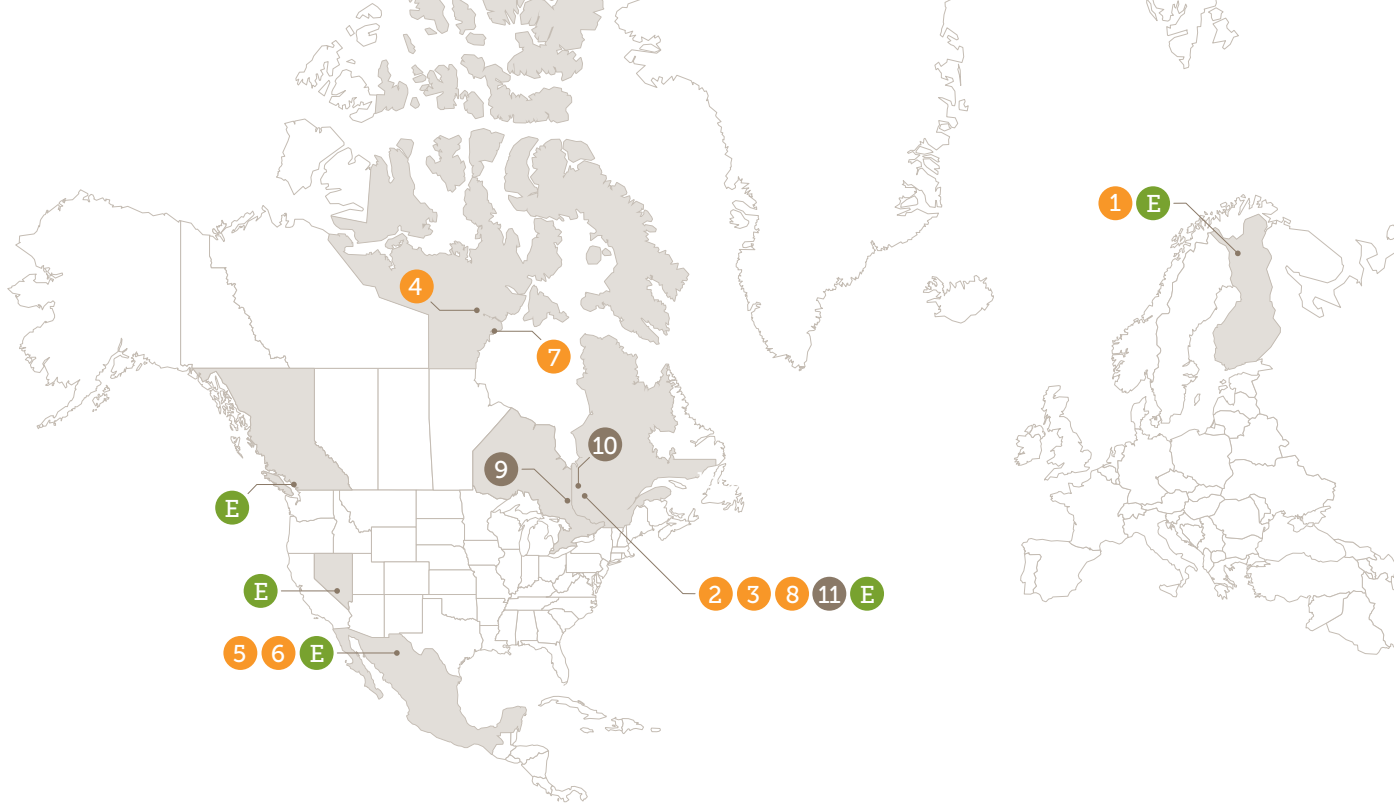
Never mined by AEM. Mining activities ceased in 1972

In the process of being returned to the Crown

Exploration

E Exploration Offices

Vancouver, British Columbia, Canada; Chihuahua, Chihuahua State, Mexico; Kittila, Lapland, Finland; Reno, Nevada, USA; Val-d'Or, Quebec, Canada



Advanced Exploration Projects

Suspended Operations



5 Pinos Altos
Chihuahua, Mexico

Open pit, underground mine with milling and heap leach operation, northern Mexico (gold, silver byproduct)

2011 payable production: 204,380 ounces of gold

Employees & contractors: 1,223

Record annual gold production at low costs



6 La India
Sonora State, Mexico

Advanced exploration located in the Mulatos Gold Belt of Mexico's Sonora State

Measured and indicated gold resources: 1.2 million ounces gold (48 million tonnes grading 0.74 grams per tonne). Inferred gold resource: 0.715 million ounces gold (32 million tonnes grading 0.69 grams per tonne)

Employees & contractors: 85

La India property consists of 42 mining concessions totalling approximately 54,000 hectares, making Agnico-Eagle the largest mineral title holder by area in the Mulatos Gold Belt. AEM acquired La India property in November 2011. Feasibility studies have been initiated and we will continue to actively explore the deposit.



7 Meliadine
Nunavut, Canada

Advanced exploration project near Rankin Inlet, Nunavut Territory, northern Canada (300 kilometres from Meadowbank mine)

Reserves: Proven and probable gold reserves increased significantly to 2.9 million ounces

Employees & contractors: 89

High-grade project continues to grow; permitting phase underway with production expected in 2017



8 Goldex
Quebec, Canada

Underground mine in Val-d'Or, Quebec

2011 payable production: 135,478 ounces of gold

Employees & contractors: 328

Mining activities were suspended in October 2011.

Our Values

Operate safely

Protect the environment

Treat people and communities with respect

Make a profit



In 2011, we took a number of steps to ensure our CSR program focused on our most material issues. We conducted an internal materiality assessment which included a review of leading global industry practices and standards including the latest guidelines from the GRI (GR3) and MAC's TSM Initiative.

This assessment identified our most material issues as:

- safety of employees and contractors;
- stakeholder engagement;
- direct economic value to key stakeholders;
- governance matters; and
- environmental issues related to waste and water management, tailings and mine closure

Our report therefore pays particular attention to these issues, which have the highest impact on our business and which are of the highest importance to our stakeholders.

Gaining Valuable Insights from Our Stakeholders

We first conducted a stakeholder mapping workshop to identify key stakeholders at the divisional and corporate levels to further improve our engagement with key organizations – those who may have a significant influence on, or are significantly impacted by, our operations and activities.

At the corporate level, we have formed a Stakeholder Advisory Committee to provide advice to our management team and to help us identify issues of materiality to our business and of relevancy to our stakeholders.

At the regional level, we conducted a series of stakeholder engagement sessions seeking feedback from local and regional stakeholders on their expectations of AEM's sustainability priorities, programs and performance to date.



Measuring what matters most: In 2011, we took a number of steps to ensure our CSR program focuses on our most material issues, which we define as those with significant current or potential impact on AEM over the next three to five years.



CSR Recognition/Awards and Certifications

Each year our employees do their best to measure up to our core values through their leadership in the workplace, and 2011 was no exception:

Jantzi Social Index (JSI)[®] listing: AEM was listed on Sustainalytics' Jantzi Social Index (JSI) and was acknowledged for its "solid social performance as illustrated by its relations with indigenous communities. Agnico-Eagle has also shown a commitment to employee safety through its strong health and safety management systems resulting in a lower than average fatality rate compared to industry peers."

Safety first: Fifteen of our supervisors from the LaRonde, Lapa and Goldex mines in Quebec were recognized by the Quebec Mining Association for achieving more than 50,000 hours without having any compensable accidents on their work teams.

Socially Responsible Company: For the fifth year in a row, Pinos Altos was certified as a Socially Responsible Company by the Mexican Centre for Philanthropy (Centro Mexicano para la Filantropía) and the Alliance for Social Responsibility of Enterprises (Alianza por la Responsabilidad Social Empresarial en México). This certification recognizes the excellence of the social responsibility practices at Pinos Altos.

Equal opportunity employer: For the second time, AEM's Mexico division was publicly recognized by the Mexican Government as being an "equal opportunity" employer,

specifically for providing equal rights to women in the workplace (Equidad de Género). This distinction is valid for two years.

Greater Toronto's Top Employers: For the second consecutive year, AEM's Toronto Office was recognized as one of the employers that "lead their industries in offering exceptional places to work." This annual competition honours organizations that offer the most progressive and forward-thinking human resource programs to their employees.

Most Improved Camp Award: In 2011 AEM's Meliadine exploration camp in Nunavut was awarded the "Most Improved Camp" Award from the Kivalliq Inuit Association (KIA). The award is recognition of the hard work and effort made by the Company to improve and upgrade the existing camp infrastructure at the Meliadine camp over the last 18 months.

Clean Industry: Pinos Altos was certified as an Industria Limpia (Clean Industry) by La Procuraduría Federal de Protección al Ambiente (the equivalent of the U.S. Environmental Protection Agency in Mexico). This certificate, obtained following a rigorous audit, recognizes the excellence of environmental management at Pinos Altos.

Community engagement: In the fall of 2011, the Chamber of Commerce and Industry of Rouyn-Noranda awarded AEM the prize for community engagement in the Major Enterprise category for the support it provides to health, art and culture, sports and leisure, and education activities in the region.

Our Performance and Targets



Health and Safety Performance

One of AEM's core company values is to operate safely, with an overriding goal of zero harm to all workers at our sites. We remain committed to doing everything possible to establish and maintain safe work environments. In 2011, we were saddened to report the death of one of our contract employees, Jean-Yves Dunn, at the LaRonde site. Investigations into the fatality were undertaken by Quebec's Commission de la santé et de la sécurité du travail and by LaRonde's joint Health and Safety Committee. We are currently implementing the corrective measures identified during these investigations. These

measures include: enhanced safety training for all employees and contractors; working with equipment manufacturers to improve field-of-vision for equipment operators; and testing new human detection technology on underground equipment.

In 2011, AEM's combined lost-time accident frequency at all operations was 3.21, as compared to 3.32 in 2010. The 2011 figure reflects a total of 197 accidents that resulted in either lost work time or assignment to light duty while the employee fully recovered. This compares to 163 in 2010.

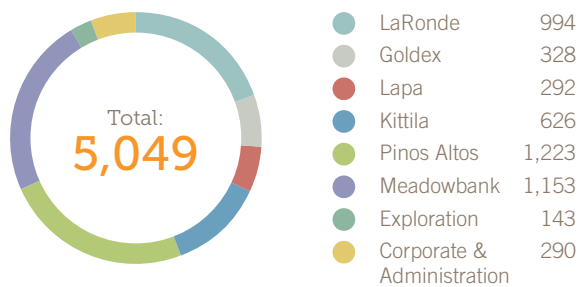
2011 Health and Safety Performance by Division

2011	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Number of fatalities	1	0	0	0	0	0	0	1
Number of lost-time accidents	17	3	5	25	1	16	11	78
Number of light duty accidents	30	4	13	1	18	48	11	119
Number of medical aid accidents	51	25	23	19	135	33	6	292
Person days lost due to accident	2,070	15	473	237	476	819	100	4,190
Combined lost-time accident and light duty accident frequency (per 200,000 person hours)	4.20	1.93	6.17	3.94	0.95	5.16	5.03	3.21

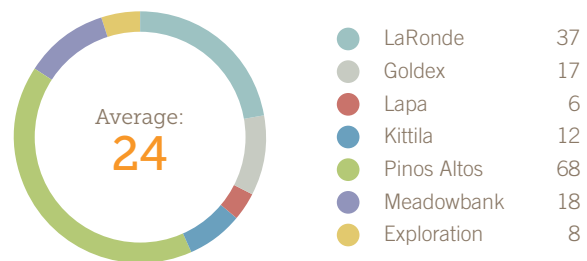
While we achieved key environmental, economic, human resource and community objectives, our health and safety performance was impacted by a fatality at the LaRonde site and a serious accident resulting in permanent disability at Meadowbank.



Total Workforce by Region



Average Hours of Training per Employee



Human Resources Management Performance

Our corporate culture – which favours collaboration, commitment and excellence – helps us attract and retain the best talent in a very competitive industry. Our culture also helps us respond to the technical, operational and reputational challenges we face as we grow our gold business and expand our workforce worldwide.

In 2011, despite a difficult year, our employees continued to perform at the highest level. At year-end, we had a total of 3,852 employees at all of our sites worldwide. Including contractors, that figure rises to 5,049 people, up from 4,782 people in 2010.

Training and development opportunities: As our labour force requirements grow in step with our business, we want to ensure our employees have the tools and skills they need to perform their jobs and to achieve their full potential. We focus on enhancing personal and career development opportunities for our employees, as well as on providing extensive health and safety training to ensure we are measuring up to AEM's health and safety standards in the workplace.

Maximizing local employment: Our ultimate goal is to hire 100% of our workforce – including our management teams – directly from the local region in which our operations are located. In 2011, approximately 82% of AEM employees, including most levels of management, were from the regions in which their site was located, compared to 78% in 2010.

Our Performance and Targets

In Mexico, more than 99.9% of AEM's Pinos Altos workforce is from Mexico. The bulk of people are hired from northern Mexico, with 68% of the workforce coming from the northern states of Chihuahua, Sonora and Sinaloa, compared to 63% last year – most of whom are drawn directly from local communities within a 10-kilometre radius of the mine. In addition, the large majority of the Pinos Altos management team comes from Mexico.

At Meadowbank, approximately 40% of our local mine workforce is comprised of Inuit of the Kivalliq region of Nunavut. To address the shortage of skilled Inuit workers, we are expanding our training capacity in an effort to increase the number of qualified candidates for apprenticeship programs for skilled workers and career progression.

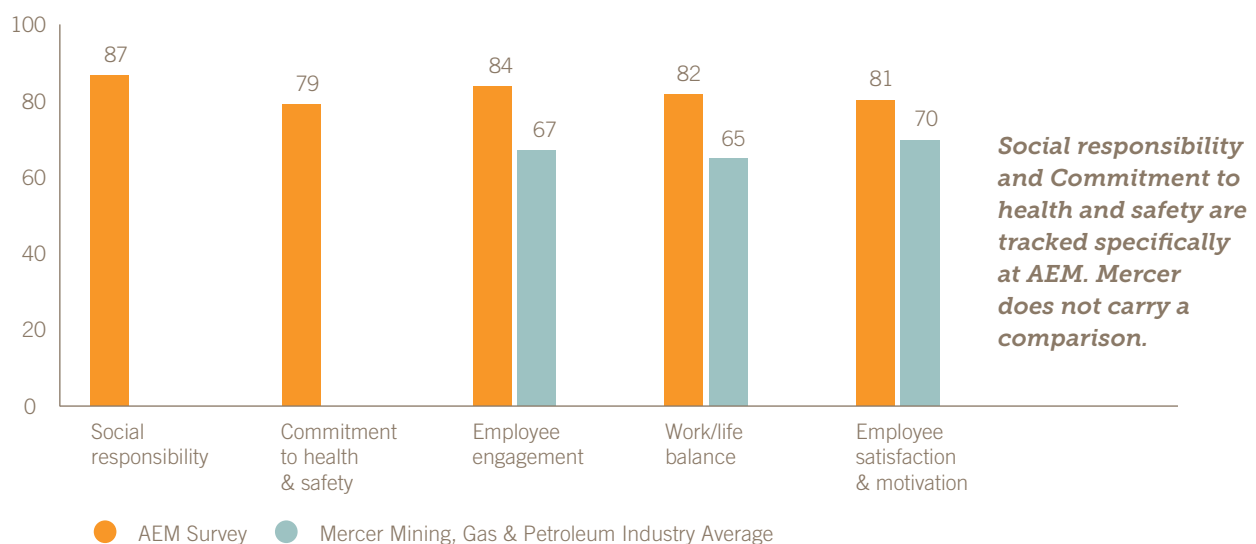
Employee engagement survey: In 2011, we conducted AEM's first ever global employee engagement survey. The feedback we obtained on overall satisfaction levels is critical to developing a strategic human resource plan for AEM's ever expanding workforce. It will also help us remain an employer of choice in the regions in which we operate.

Our employees shared their opinions with us on a number of important workplace initiatives, with an overall participation rate of 68%. Our employees told us they believe AEM is a good corporate citizen and they are particularly proud of how we engage with our local communities. They also believe that our operations are environmentally conscientious, and that AEM is a good place to work. The highest approval rating we received was for our "social responsibility" program, scoring an 87% approval rate from our employees globally.

Employees also provided open feedback on areas we need to improve – specifically AEM's overall performance management program. We have communicated the survey results back to our employees and management teams and are currently reviewing and addressing this feedback. The graph illustrates the top 5 approval results from the AEM survey, benchmarked against the Mercer industry average. Mercer did not have industry averages available in the social responsibility and health and safety categories as those categories were designed specifically for the AEM employee engagement survey.

Top 5 Employee Engagement Survey Results

(percent)





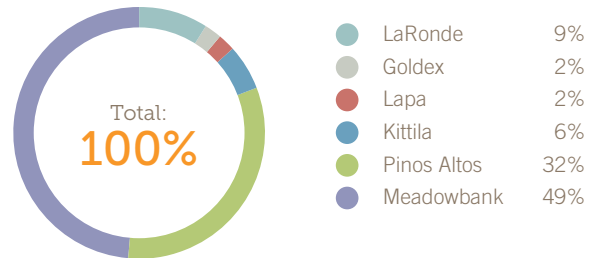
Environmental Performance

We focus on limiting our environmental impacts by using natural resources efficiently, by preventing or limiting pollution, and by reducing waste. Each of our operations is required to identify, analyze and manage its environmental risks and to work in a transparent manner with involved local stakeholders.

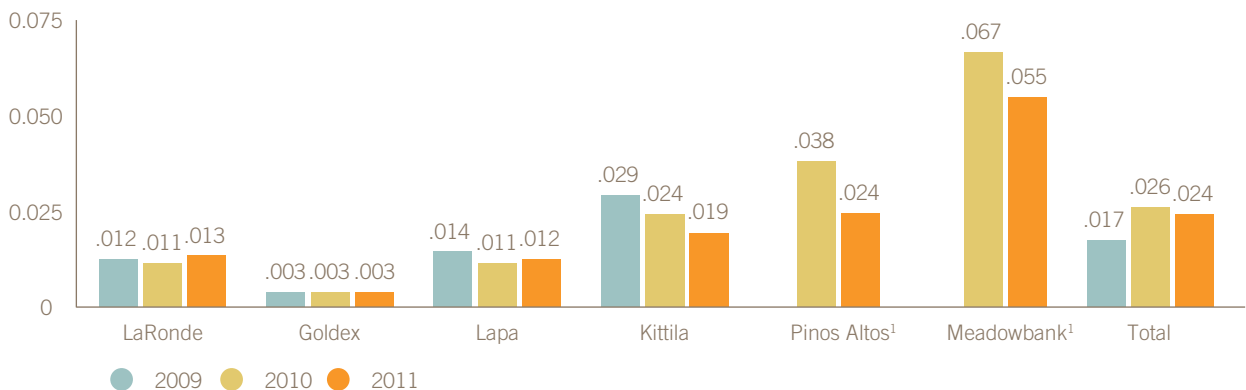
Greenhouse gas emissions: In 2011, AEM's total GHG emissions (direct and indirect) were 339,915 tonnes, a 16% increase from 2010, due primarily to increased production capacity (a 23% increase in the tonnes of ore milled). Out of these, 281,399 tonnes were direct emissions and 58,716 were indirect emissions. In 2011, AEM's total direct GHG emission intensity for all of our operating mines is 0.024 tonnes of CO₂ equivalent per tonne milled compared to 0.026 in 2010, a 6% reduction.

On a monthly basis, we monitor direct and indirect GHG emissions and report them annually to the CDP both in tonnes of GHG and intensity, which is the amount of emissions per unit of production.

Total 2011 Direct and Indirect GHG Emissions
(percent)



Total Direct GHG Emission Intensity
(tonnes of CO₂ equivalent per tonne of ore processed)



1) 2010 is the first year that comparable GHG emissions data is available for the Pinos Altos and Meadowbank sites.

2) Note that all numbers have been rounded to the closest three decimal points (for yearly comparisons the GHG emission intensity numbers are rounded to four decimal places: 2010 – 0.0258 and 2011 – 0.0242, a decrease of 6%).

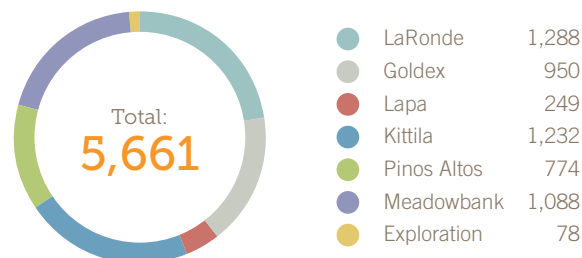
Our Performance and Targets

Energy use: In 2011, AEM's overall energy use increased slightly, primarily due to an increase in production tonnage from our mines. Total electricity consumed increased by 5% in 2011, from 691 million kWh to 728 million kWh. Diesel fuel consumption increased from 77.5 million litres to 94.7 million litres, a 21% increase, about 10 million litres of which can be attributed to the Meadowbank and Mascota sites which generate electricity from diesel fuel. Natural gas usage increased by 26% in 2011 compared to 2010, in part because of the new heating requirements at LaRonde and Lapa associated with the new ammonia treatment plants and because of the harsh 2011 winter in Abitibi.

Meadowbank is a remote site with no viable connection to any power grid. Consequently, we generate our own power through the combustion of diesel fuel. In 2011, we generated 125 million kWh of power on site from 26 million litres of diesel fuel shipped north by the annual sealift. Waste heat from the Meadowbank power plant is recovered to heat the buildings at the mine which, in this Arctic setting, is a considerable power savings.

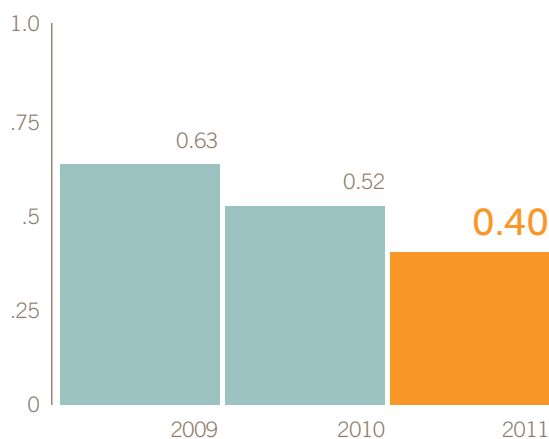
Water management: Properly managing the water we use and the effluents we discharge is a significant component of the environmental management programs at all of our mining operations. In 2011, the total water withdrawn by AEM from all sources was 5.7 million cubic metres, down from 5.9 million cubic metres in 2010, a decrease of 3%, driven largely by stabilization in our production. Our withdrawal and use of fresh water from all sources was 0.40 cubic metres per tonne of ore milled in 2011, down from 0.52 in 2010, which represents a 23% reduction, reflecting the continuing optimization of new processing facilities at Meadowbank, Kittila and Pinos Altos.

Total Water Withdrawal
(in 000s of cubic metres)



One of our operational objectives is to keep the amount of fresh water we consume from all sources to a minimum. We strive to increase the internal recycling of water at each operation by questioning every existing and new use of fresh water: can it be replaced by recycled water?

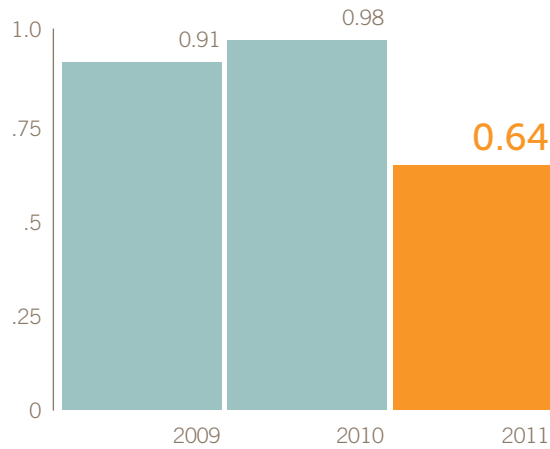
Water Use Intensity
(water consumption in cubic metres per tonne milled)



Effluent discharge: All of our operations follow stringent water quality requirements that must be met at the point of effluent discharge. We also conduct regular environmental effects monitoring programs in the receiving waterbodies to check for ecological effects from our effluent discharges.

Effluent Discharge Intensity

(total effluent discharge in cubic metres per tonne milled)



The total volume of effluent discharged from all of our mining operations in 2011 was 8.9 million cubic metres, down from 11.1 million in 2010, a decrease of 20%. The water discharge intensity decreased from 0.98 cubic metres per tonne of ore milled in 2010 to 0.64 in 2011, a 35% reduction. The volume levels were lower this year largely due to the reduction of discharge at Meadowbank related to the near completion of dewatering programs on site. Dewatering of Second Portage Arm was completed during the year, while the Bay-Goose pumping program was almost completed during the year.

Waste management and tailings: Mining by its nature generates large volumes of waste rock and mill tailings because of the very low quantity of metal per tonne of mined rock. This is especially true for gold mining where ore grade is expressed in grams per tonne. In 2011, AEM's mining operations generated 53.2 million tonnes of waste rock and 10.9 million tonnes of mill tailings, up from 49.9 million and 9.9 million tonnes, respectively, in 2010. The increase in waste rock generated is primarily associated with the increase in production from open pit mining operations at the Pinos Altos, Mascota and Meadowbank mines.



Water sampling at LaRonde

In 2011, approximately 14% of the waste rock produced by mining at all of AEM's operations was either used underground as backfill or in construction of tailings containment dams and other infrastructure such as roads. Approximately 10% of the mill tailings generated at AEM's mining operations was returned underground as paste backfill. Paste backfill is done at Pinos Altos and LaRonde and a paste backfill plant is being constructed at Kittila. Meadowbank has no underground component and therefore cannot return tailings underground as backfill.



Incidents and compliance: No serious environmental incidents were recorded in 2011 and no significant compliance actions were taken at any of our sites. During the year, the Goldex site received a notice of infraction for exceeding the total suspended solids (TSS) concentration in the effluent of the South tailings pond. The site is taking corrective measures to increase the retention time in the sedimentation pond to allow the solids to settle. No financial fines or penalties were levied at Goldex as a result of the exceedance in TSS concentration.

Our employees are encouraged to report all environmental spills and incidents, no matter how small, so they can be properly investigated and mitigation measures put in place to minimize damage and prevent any recurrence. In 2011, 138 spills were reported, a number similar to the 135 spills reported in 2010. Of these incidents, five occurred outside the minesite boundaries – with only one involving a large volume (11,200 litres). Contaminated material from the larger spill was completely recovered with no effect on surface water. For the spills inside the mine boundaries, 32 were reported in the 100 to 1,000 litres category and 20 were reported in the larger than 1,000 litres category. This compares to 26 and 11 spills in 2010 in these same categories. We believe these higher numbers are more an indication of our improved tracking and reporting capabilities than an actual increase in spill events. With the use of Intalex as a reporting tool in 2011, and the accompanying emphasis on reporting incidents to improve performance, we expect the number of reported spills to increase again in 2012.

Economic Value

2011 was a difficult production year for AEM. With the suspension of operations at Goldex, we have made adjustments to our mine plans to ensure that we have solid and achievable production plans for the next three years.

In 2011, AEM achieved record operating cash flows of \$663.5 million, as well as record levels of gold production at Pinos Altos and Kittila. The LaRonde Extension achieved commercial production in November and it is now expected to be our biggest driver of production growth over the next few years.

In 2011, AEM also increased the quarterly dividend by 25% to \$0.20 per share. AEM has declared a dividend consecutively for the last 30 years.

In 2012, we expect most of our mines to produce more gold and as a result, we anticipate increasing AEM's profitability. We also anticipate further growth in gold output in 2013 and 2014 from our existing mines, while we advance our development projects at La India and Meliadine.

AEM contributes to the sustainability of our communities by hiring and training local people, by creating business opportunities for local entrepreneurs, and by investing in community and local capacity building programs. In 2011, AEM paid \$308.8 million in global employee compensation, up from \$280.8 million in 2010. Through the payment of wages and benefits, we contributed approximately \$156.9 million to the economy of the Abitibi region of Quebec, Canada; \$32 million to the economy of Finland; \$74 million to the economy of Nunavut, Canada; and approximately \$16 million to the economy of Chihuahua State in Mexico. We also made payments, such as taxes and royalties, to governments at all levels totalling \$79 million in 2011.

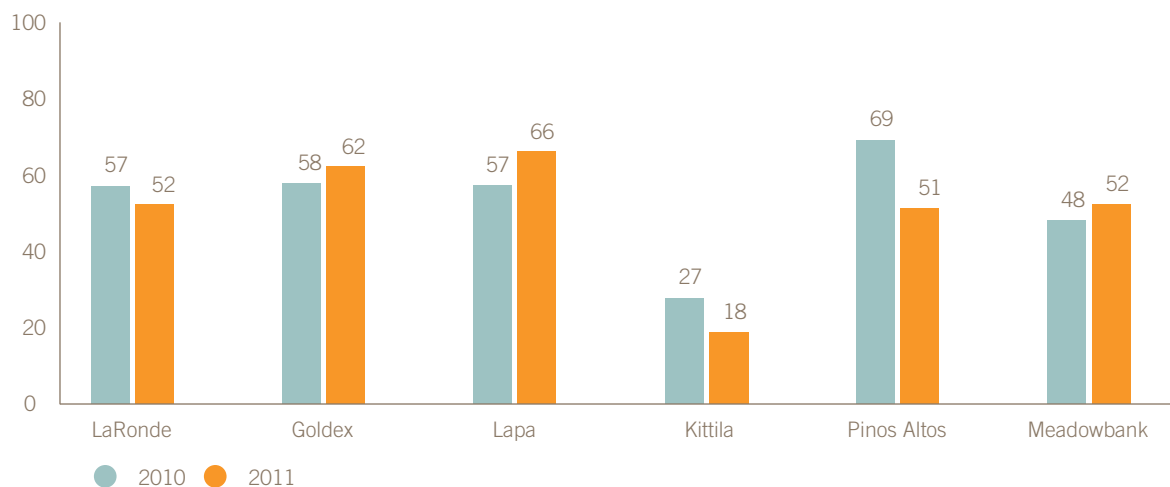
Direct Economic Value Generated and Distributed

(thousands of US\$)

	Total
a) Revenues	\$ 1,821,799
b) Operating costs	\$ 960,934
c) Employee wages and benefits	\$ 308,877
d) Payments to providers of capital	\$ 163,048
e) Payments to government – gross taxes	\$ 66,634
f) Payments to government – royalties	\$ 12,390
Total taxes and royalties	\$ 79,024
g) Community investments – voluntary contributions and community investments	\$ 3,655
h) Retained earnings (deficit)	\$ (129,021)
i) Dividends per share	\$ 0.80

Proportion of Spending on Locally Based Suppliers

(percent)



Buying locally: Whenever and wherever we can, AEM gives preference to buying from local suppliers as a way of supporting our communities, stimulating the local economy and minimizing the environmental impact of transporting materials from distant locations to our sites. However, local suppliers must still meet the same criteria that all potential suppliers must meet in order to do business with our company. We continue to make steady progress toward increasing the overall level of local spending at our minesites. On average in 2011, approximately 50% of the purchases at each of our mines were made through local suppliers and contractors.

Making a difference in our communities: AEM contributes to the sustainability of our local communities by investing in various health, educational and capacity building initiatives.



2009	\$881,931
2010	\$1,878,325
2011	\$3,655,395

Since 2009, AEM has contributed over \$6.4 million to various organizations and events.

Our Responsibilities and Commitments



Responsibility to Our Employees and Communities

AEM's ability to grow and prosper is derived, in great measure, by the relationships based on mutual respect that we develop with our employees and local communities. We consult with these key stakeholders to better understand and address their concerns and expectations, as well as to act as catalysts for the development of sustainable communities where we operate.

The following examples illustrate how we measured against our responsibility to employees and communities in 2011.

Suspension of mine operations at Goldex: In October 2011, we suspended underground mining operations at our Goldex mine in Val-d'Or, Quebec, to investigate and remediate ground stability issues.

When activity at a mine is suspended, there are many people beyond our site who are potentially impacted by our actions:

- **Our employees:** We immediately developed a plan to minimize any impact on our 250 permanent employees during this investigation and remediation phase. We were able to relocate 95 employees to our other Canadian mining operations, while the remaining 150 employees are currently actively working in remediation and exploration at the Goldex mine. While five employees have voluntarily resigned, to date, there have been no layoffs of our permanent employees.

- **The people of Val-d'Or:** The Goldex mine is located very close to the town of Val-d'Or, and any surface instability issues at the mine are naturally of concern to local citizens. The Goldex team has been engaged in a continuous dialogue with homeowners, business owners and community representatives about the ground subsidence issue and regularly updated citizens through community information and open house sessions.
- **Local land owners and Goldex neighbours:** We also established a preventative monitoring program to examine whether there were any impacts to the land or buildings of our neighbours who sit in close proximity to the mine. Once we ascertained that there were soil subsidence impacts, we presented several options to each affected home and business owner, on a case-by-case basis. These discussions are ongoing.

Building economic capacity in Mexico: AEM Mexico's goal is to share the economic benefits of mining with our neighbouring communities. One of the ways we do this is by encouraging alternative economic development projects – an approach vital to diversifying the local economy and to raising the average income of families. At our Pinos Altos mine in Mexico, for example, we teamed up with local community groups to support the start-up of a sewing cooperative. While our partners provided the machines, AEM provided funding to acquire equipment and a facility, to help a local clothing manufacturer become a supplier to the mining industry. There are presently 11 people employed at this local clothing business.

Being a responsible miner: At every site, and in every community, we want to measure up to our own standards of operating safely, treating our people and communities with respect, and protecting the environment.



State of the art training in Nunavut: We strive for sustainable, long-term development by hiring and training local people to improve their long-term career prospects. In 2011, the Meadowbank training team introduced an on-site haul truck training facility, the first of its kind in Canada.

The simulator system is considered state of the art technology that allows trainees to learn on a fully functional haul truck providing the operator with a real-life experience inside a controlled, safe environment. Training on the simulator includes a three-month on-site program, similar to an in-house apprenticeship.

While the project's aim is to improve productivity and reduce the mine's operating cost, it will also contribute directly to the communities that help staff the Meadowbank mine. The major benefit is that it allows local residents to learn these skills on site, and on exactly the type of truck they will eventually drive, rather than leave their families to travel down south for training at a trade college in Ontario.



Christopher Igloogyuak training on the haul truck simulator.

Responsibility for the Environment

AEM is committed to:

- protecting the environment;
- achieving high standards of environmental performance;
- reducing our environmental impacts; and
- continuously improving our governance and disclosure of environmental matters, with open and transparent reporting of our environmental performance to relevant regulatory agencies and stakeholders.

We believe in using industry best practices to ensure that our operations minimize their impact on the environment to the greatest practical extent possible. When environmental incidents occur, we determine the cause and take steps to prevent any recurrence. We have emergency preparedness and spill response plans at each of our operations and we regularly train our employees to ensure our sites respond appropriately and efficiently when an incident occurs. Initial emergency response equipment is in place at all of our operations.

Our Responsibilities and Commitments

Auditing our environmental performance: In 2011, we conducted 655 environmental inspections at our sites related to waste segregation, proper handling of hazardous waste, proper labelling of hazardous material, and water segregation and drainage. In addition, a full site environmental audit was carried out at Meadowbank, and internal cyanide management audits took place at the Kittila, Pinos Altos and Mascota, and Meadowbank sites in preparation for the certification process for the International Cyanide Management Code (ICMC). No major problems were noted in the 2011 audits. However, recommendations flowing out of the audits continued to focus on the need for a more consistent application of best practices across our sites. This will remain the focus of our work in 2012.

Responsible cyanide management practices: Kittila was the first of our minesites to begin the review of its operation with respect to the International Cyanide Management Code requirements. Each and every phase of the operating sequence at the site – from the preparation of cyanide to its final use – must meet the code requirements. Kittila anticipates that the complete certification audit of the mine will be performed once the transportation component of the process has been certified, which is anticipated during 2012. With the exception of LaRonde, all mines using cyanide in their milling process have a cyanide destruction phase prior to discharging into tailings containment sites. The LaRonde mine uses the tailings pond to settle the solid portion of the tailings and has a cyanide destruction treatment plant to treat the decanted water before it is reused at the mill or discharged to the environment. LaRonde will be able to meet all of the requirements of the ICMC, except for the pre-treatment of cyanide prior to tailings discharge into the containment area.

Respecting local wildlife: At Meadowbank, we respect the wildlife that migrates into areas close to our operations. We have extensive wildlife monitoring programs and contribute financially to the Government of Nunavut's caribou monitoring and collaring activity. We assess whether our activities are impacting any endangered, protected or threatened species, according to the list of endangered or threatened species established by the jurisdictions in which we operate. At all of our sites, any impact on terrestrial or fish habitat must also be assessed and an attempt made to minimize any disturbance. In some jurisdictions there is a requirement to replace the area impacted by mining activities by an equivalent habitat. As part of these monitoring, assessment and compensation activities, we work closely with regulatory agencies to ensure our biodiversity programs are measuring up to their expectations.



One of the caribou from the satellite-collaring program. The program is a partnership between AEM and the Government of Nunavut to track caribou migration patterns and population density in the Kivalliq region.

Reducing our ecological footprint: In the planning stages of any mine development, we focus on reducing our proposed ecological footprint from the outset, and on minimizing our overall impact on biodiversity. At Meadowbank, for example, our leased boundary takes in approximately 2,292 hectares but our actual land disturbance has been limited to approximately 1,704 hectares. Our total land used at all of our operations in 2011 was 3,820 hectares out of a total leased or owned landholding of 12,396 hectares.

Our Standards

Measuring up to industry standards and global best practices: As part of our overall commitment to improving performance, AEM has been steadily increasing its presence on national, international and industry-specific boards and organizations and its application of industry standards and global best practices. We are committed to meeting the various compliance and industry standards outlined below. A complete list of standards can be found in the Responsibility section on our website at www.agnico-eagle.com.

Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is an independent, not-for-profit organization working to drive greenhouse gas emission (GHG) reductions by business and cities. The CDP encourages organizations to annually measure, disclose, manage and share environmental information – particularly their GHG emissions and climate change risk factors. AEM made its first submission to the CDP in 2007 and will continue to report on an annual basis.

Global Reporting Initiative

The Global Reporting Initiative (GRI) sustainability reporting framework sets out specific criteria and indicators that organizations can use to measure and report their economic, environmental and social performance. We measure our performance using the G3 Sustainability Reporting Guidelines developed by the GRI, including mining industry specific indicators incorporated in its Mining and Metals Sector Supplement (MMSS).

International Cyanide Management Code

The Cyanide Code is a voluntary industry program that focuses on the responsible and safe management of cyanide and cyanide solutions used in gold mining – as well as on the protection of human health and the reduction of environmental impacts – from production to transportation, on-site storage and use, through to worker safety and training, emergency response, stakeholder involvement and facility decommissioning. AEM became a signatory to the Cyanide Code in September 2011 and we are seeking to have our nominated operations audited and certified within the three-year deadline.

Towards Sustainable Mining

In December 2010, AEM became a member of the Mining Association of Canada (MAC) and fully endorsed its Towards Sustainable Mining (TSM) Initiative. TSM was developed to help mining companies evaluate the quality, comprehensiveness and robustness of their management systems under six performance indicators. In 2011, AEM trained all its divisions on the implementation of the TSM Initiative. We aim to achieve a Level A rating at all of our mines. As a member of MAC, we will undergo an external verification of our TSM performance by the end of 2013.

FORWARD-LOOKING STATEMENT

The information in this summary report has been prepared as at April 15, 2012. Certain statements contained in this summary report constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information under Canadian provincial securities laws. When used in this document, the words “anticipate”, “expect”, “estimate”, “forecast”, “planned” and similar expressions are intended to identify forward-looking statements and information.

Such statements include, without limitation: estimates of future mineral production and sales; estimates of future production costs, cash costs, minesite costs and other expenses; estimates of future capital expenditures and other cash needs; statements as to the projected development of certain ore deposits, including estimates of exploration, development, and other capital costs, and estimates of the timing of such development or decisions with respect to such development; estimates of reserves and resources, anticipated future exploration and feasibility study results; the anticipated timing of events with respect to the Company’s minesites; and other statements regarding anticipated trends with respect to the Company’s capital resources and results of operations. Such statements reflect the Company’s views as at the date this summary report was prepared and are subject to certain risks, uncertainties and assumptions. Many factors, known and unknown, could cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such risks include, but are not limited to: uncertainty of mineral reserve, mineral resource, mineral grade and mineral recovery estimates; uncertainty of future production, capital expenditures and other costs; gold and other metals price volatility; currency fluctuations; mining risks; and governmental and environmental regulation. For a more detailed discussion of such risks and other factors, see the Company’s Annual Information Form and Summary report on Form 20-F for the year ended December 31, 2011 as well as the Company’s other filings with the Canadian Securities Administrators and the U.S. Securities and Exchange Commission. The Company does not intend, and does not assume any obligation, to update these forward-looking statements.

How do we measure up?

We invite your comments and questions about this report. To learn more, please visit www.agnico-eagle.com or email us at CSR@agnico-eagle.com.



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