



MAKING A DIFFERENCE

2012 Corporate Social Responsibility Report





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Agnico Eagle is determined to make a significant and positive difference in the lives of our employees.



2012 Key Highlights

Agnico Eagle improved its performance during the year in the areas of health and safety, tailings management, and crisis management and preparedness. We also identified opportunities to improve our energy management and biodiversity conservation strategies as we move into 2013.

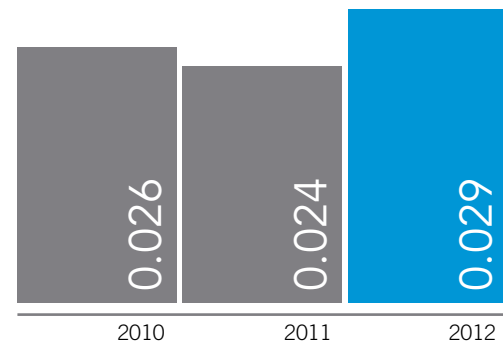
Water Use Intensity: Our withdrawal and use of fresh water per tonne of ore milled from all sources averaged 0.38 m³, down from 0.40 m³ in 2011, and 0.52 m³ in 2010, which represents a 6% reduction over last year and reflects our continued efforts to improve overall water use intensity.

Water Use Intensity
(m³ per tonne milled)



Average GHG emission intensity for all of our operating mines was 0.029 compared to 0.024 in 2011 and 0.026 in 2010. The increase can be attributed to the fact that tonnages not produced at Goldex were replaced by additional production at Meadowbank, an operation relying exclusively on diesel fuel for electrical supply and production equipment.

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



The proportion of the mine workforce hired locally is 81% while the proportion of the mine management team hired locally is 71%.

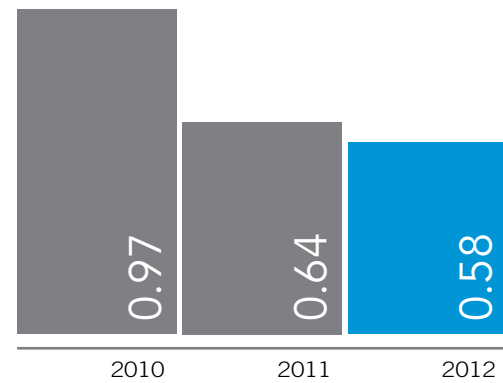
Workforce Hired from the Local Community





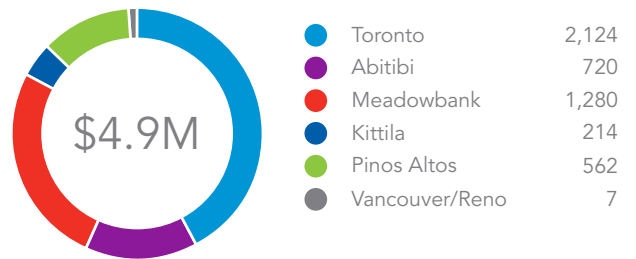
Our average water discharge intensity decreased from 0.64 m³ per tonne of ore milled in 2011 to 0.58 in 2012, a 9% decrease.

Water Effluent Discharge Intensity from All Sources
(m³ per tonne milled)



Economic value generated and distributed: Agnico Eagle paid \$243 million in taxes and royalties to all levels of government, invested \$4.9 million in our operating communities and provided over \$363 million in wages and benefits to our global workforce.

2012 Community Investment by Division
(\$000s)



We improved our overall health and safety performance, achieving a combined lost-time accident (LTA) frequency of 2.44 – substantially below our target rate of 3.3 and our lowest ever combined LTA rate.

Combined Lost-Time Accident Frequency

24%



Overview

Agnico Eagle (Agnico Eagle Mines Limited or AEM) is committed to making a difference for all of our stakeholders. We do this by creating economic value for our shareholders and 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 a catalyst for the development of sustainable communities.

We believe our approach to sustainable development also provides Agnico Eagle with a competitive advantage. It helps us manage our risks more effectively, reduce environmental impacts over the long term, decrease our operating costs and improve our health and safety performance. We also benefit from engaging with our communities, attracting high caliber employees, providing local businesses with additional economic opportunities and, ultimately, by creating value and delivering better returns to our shareholders.

With data collected from our sites since 2009, we are able to track and assess our performance against our own values, responsibilities and expectations, as well as against the global

mining industry's best practices and standards. Along with input from Agnico Eagle's key stakeholders, we are developing a comprehensive road map to advance our sustainable development performance, responsibly grow our gold business and adapt to the changing needs and expectations of society.

Our strategy and reporting program are focused around five areas: health and safety of employees and contractors; employee and stakeholder engagement; direct economic value to key stakeholders; governance matters; and environmental issues related to waste and water management, tailings and mine closure. For the purpose of this report, these significant or "material" issues will be identified with the following icons.



Health and Safety



Employees and Stakeholders



Economic Value



Governance



Environment

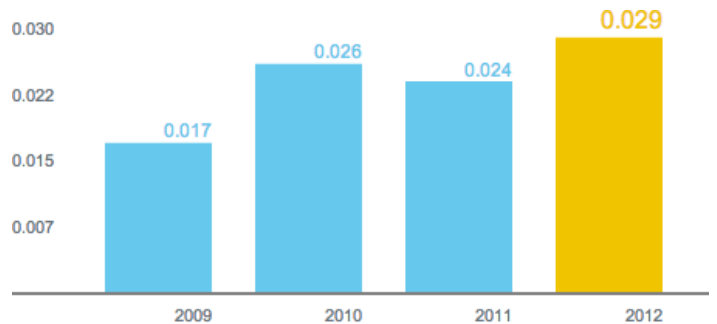


2012 CSR Highlights

In 2012, we took steps to further integrate our sustainable development program into all aspects of our business. The following highlights indicate where our program has made a difference and, in some cases, where we have encountered challenges:

- Sustainable Development Policy:** In 2012, we amalgamated Agnico Eagle’s Health and Safety Policy with our Environmental Policy – along with our long-established principles of respect for employees and communities – to form a new Sustainable Development (SD) Policy. The policy is articulated around Agnico Eagle’s four fundamental values of sustainable development: Respect our employees; Protect the environment; Operate safely; Respect our communities.
- Best 50 Corporate Citizens in Canada:** In 2012, Agnico Eagle was ranked by Corporate Knights magazine as one of Canada’s top 50 corporate citizens – defined as a company that fulfills its part of the social contract, while developing innovative solutions to the pressing social and environmental challenges of our time.
- Stakeholder Advisory Committee:** We established a Stakeholder Advisory Committee to obtain input and guidance into our SD programs and in October 2012 held the Committee’s second meeting. Our divisions continued their stakeholder engagement programs at local and regional levels.
- GHG Intensity:** Our overall greenhouse gas (GHG) intensity in 2012 was 0.029 tonnes of CO₂ equivalent per tonne of ore processed compared to 0.024 in 2011.

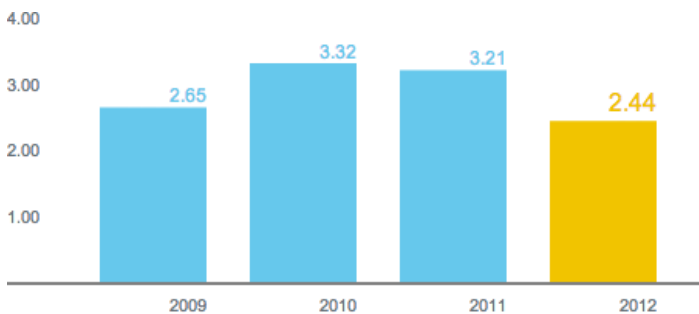
AEM’s Total Direct GHG Emission Intensity
(tonnes of CO₂ equivalent per tonne of ore processed)



- Combined LTA Frequency:** Our overall health and safety performance improved during the year and we achieved a combined lost-time accident frequency rate (LTA) of 2.44 – substantially below our target rate of 3.3.



Combined Lost-Time Accident Frequency



- RMMS:** In 2012, we began implementing our new integrated Responsible Mining Management System (RMMS). This integration will be done through the development and implementation of a formal Health, Safety, Environment and Social Acceptability Management System. The aim with the RMMS is to further promote a culture of excellence that encourages our employees to continuously improve their skills and to not only meet, but exceed, the regulatory requirements for health, safety and environment. The system will be consistent with the ISO 14001 Environmental Management System and the OHSAS 18001 Health and Safety Management System. System documentation will be supported by Intelext software.
- Socially Responsible Company:** For the sixth 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.

- Silver Helmet:** Pinos Altos won the “Silver Hard Hat” award at the 2012 Annual Safety Contest of the Mexican Chamber of Mines, for maintaining the best safety statistics – for underground mines with more than 500 workers – within the Mexican mining industry during 2011. The Pinos Altos Mine Rescue Team also achieved a first place finish in the North Zone Mexican Mines Rescue competition on November 28, 2012. The event was hosted at the Mexico Group company facilities, in Parral City, Chihuahua State, Mexico.
- 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.
- 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.

Report feedback: We invite your comments and questions about this report. To learn more, please visit our website or email us at CSR@agnicoeagle.com.



AEM At-a-Glance

Agnico Eagle 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 lower risk regions.

Operating Mines

Kittila

1

Lapland, Finland
Underground mine, northern Finland

2012 payable production: 175,878 ounces of gold
Employees and contractors: 609

Kittila, located in northern Finland, is extracting ore from one of the largest known gold deposits in Europe. It is now an underground-only mine following the completion of open pit mining in late 2012.

Lapa

2

Quebec, Canada
Underground mine in Rivière-Héva, northwestern Quebec

2012 payable production: 106,191 ounces of gold
Employees and contractors: 321

Small underground operation near LaRonde has gold grades almost twice as rich as the Company's average.

LaRonde

3

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

2012 payable production: 160,875 ounces of gold
Employees and contractors: 321

Flagship mine in northwestern Quebec has produced more than 4.3 million ounces of gold since 1988.

Meadowbank

4

Nunavut, Canada
Open pit mine in Nunavut Territory, northern Canada

2012 payable production: 366,030 ounces of gold
Employees and contractors: 1,155

Open pit mine in the Nunavut Territory of Canada is Agnico Eagle's largest gold producer.

Pinos Altos

5

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

2012 payable production: 183,660 ounces of gold
Employees and contractors: 1,820

Open pit and underground mining operations in northern Mexico hold reserves of almost 2.7 million ounces of gold and 74 million ounces of silver.



AEM At-a-Glance

Advanced Exploration Projects

La India 6

Sonora State, Mexico
 The La India project, located in the Mulatos Gold Belt of Mexico's Sonora State, is under construction.

Reserves: Probable reserves: 0.8 million ounces gold (33.5 million tonnes at 0.7 g/t)

Measured and indicated gold resources: 0.6 million ounces gold (43.2 million tonnes at 0.4 g/t)

Inferred gold resource: 1.0 million ounces gold (81.0 million tonnes at 0.4 g/t)

Employees and contractors: 344 employees;
 671 construction contractors

Highlight: La India was approved for development in September 2012. The open pit heap leach operation is expected to go into commercial production in the second quarter of 2014 with a mine life of approximately nine years. La India's annual gold production is estimated at 90,000 ounces.

Meliadine 7

Nunavut, Canada
 Meliadine, an advanced-stage gold project in Nunavut Territory, northern Canada, is Agnico Eagle's second major project in Canada's Low Arctic, following the Meadowbank mine. Meliadine is also our fastest growing deposit with multiple high-grade zones.

Reserves: The project has proven and probable gold reserves of 3.0 million ounces (13.3 million tonnes grading 7.0 g/t gold).

Employees and contractors: 89

Highlight: High-grade project continues to grow; an updated study is expected to be completed in 2014 and project permitting is proceeding on schedule. This project has the potential to be Agnico Eagle's largest single gold producer.



AEM At-a-Glance

Suspended Operations

Goldex*

8

Quebec, Canada
Underground mine in Val-d'Or, Quebec

Goldex is part of the properties and infrastructure that Agnico Eagle owns in the Abitibi region of Quebec.

2012 payable production: Mining operations suspended indefinitely in late 2011. Development of M and E zones approved in July 2012 with first ore production expected in Q2 2014.

Reserves: Proven and probable reserves: more than 0.3 million ounces of gold (7.0 million tonnes grading 1.6 g/t gold)

Measured and indicated resources: 1.6 million ounces of gold (27.2 million tonnes grading 1.84 grams/tonnes gold)

Inferred resources: 1.7 million ounces of gold (34.6 million tonnes grading 1.5 g/t gold)

*This CSR report will be reporting on partial activities at Goldex but the emissions will not be used from Goldex for the calculation of intensity because for all of 2012 Goldex was not in production.

Employees and contractors: 328

Highlight: Although the mining operations at Goldex were suspended indefinitely in October 2011, the Company continued to evaluate production options during the ongoing investigation and remediation phase. The M and E zones were approved in July 2012 for development, and first ore production is expected in the second quarter of 2014.



AEM At-a-Glance

Closed Sites

Cobalt–Coleman Properties 9

Ontario, Canada
 Mining activities ceased in 1989. Post-closure monitoring and maintenance is carried out.

Highlight: A request was received from the Ontario Ministry of Northern Development and Mines to update and resubmit the closure plans for our properties in Cobalt. All closure plans will be submitted by the end of 2015.

Eagle & Telbel 10

Quebec, Canada
 Mining activities ceased in 1993. In the process of being reclaimed.

Preissac Molybdenite 11

Quebec, Canada
 Never mined by AEM. Mining activities ceased in 1972. In the process of being returned to the Crown.

Exploration

Exploration Offices E

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



Chairman's Message

A Message from Our Chairman, Jim Nasso:

Agnico Eagle is determined to make a significant and positive difference in the communities where we operate and in the lives of our employees. In doing so, we want our environmental and social initiatives strategically linked to the priorities and expectations of our stakeholders.

In 2012, we took key steps to strengthen our sustainable development program and to better align ourselves with the expectations of our stakeholders. We began meeting formally with, and receiving feedback from, our Stakeholder Advisory Committee. Based on the Committee's input, we have revised Agnico Eagle's sustainable development policy and we are developing a more strategic approach to our community investment program.

Our Stakeholder Advisory Committee: Agnico Eagle's Stakeholder Advisory Committee provides us with constructive feedback from a diverse group of priority stakeholders. Members are independent stakeholders with expertise in sustainability, community development, disclosure and governance practices. The Committee provides us with advice on building a focused business case for, and investments in, sustainability. It also provides guidance on improving Agnico Eagle's SD initiatives – including our environmental and social policies, programs, operational performance, communication activities and engagement.

Our goal, which reflects the Committee's valuable guidance, is to ensure we develop a focused and strategic sustainability program – one that provides clear outcomes and rewards for both Agnico Eagle and the communities in which we operate.

Our Sustainable Development Policy: Our revised Sustainable Development Policy outlines the guiding principles and commitments we will uphold to protect the health and safety of our employees and contractors, as well as the environment and communities impacted by our activities.

At the core of our policy, we are committed to creating value for our shareholders by operating in a safe and socially and environmentally responsible manner while contributing to the prosperity of our employees, their families and the communities in which we operate.

This translates into four fundamental values of sustainable development at Agnico Eagle:

Respect our employees: We aim to maintain a safe and healthy workplace that is based on mutual respect, fairness and integrity.

Protect the environment: We aim to minimize the effects of our operations on the environment and maintain its viability and its diversity.

Operate safely: We believe that all loss due to accidents or incidents is preventable. We aim to operate a safe and healthy workplace that is injury and fatality free. We believe that if we all work together, we can achieve zero accidents in the workplace and enhance the well-being of employees, contractors and communities.

Respect our communities: We aim to contribute to the social and economic development of sustainable communities associated with our operations.



Our Strategic Community Investment Program: Our Stakeholder Advisory Committee has also identified the need for Agnico Eagle to develop a more strategic approach to our community investments – one that addresses community needs while aligning with our business strategy. In 2013, we began developing a community investment program that is more targeted and sustainable over the long term and regularly measures the impact of our investments.

One area we will continue to target is education, training and building local capacity. In 2012, for example, we began a substantial three-year investment in an educational program known as Mining Matters' Aboriginal Education and Outreach Programs in the Kivalliq region of Nunavut. The goal of the program is to convince young people that there are interesting jobs, careers and a future for them in the north – and that the mining industry can be a key source of those opportunities.

We will continue to invest in important environmental and social initiatives that make a difference in our communities. We are committed to contributing to the well-being of the communities in which we operate.

A handwritten signature in black ink, appearing to read 'J. Nasso'.

James D. Nasso
Chairman of the Board
April 15, 2013



President and CEO's Message

Agnico Eagle's mission is to run a high-quality, easy to understand business that generates superior long-term per share returns for our shareholders, creates a great place to work for our employees and makes a positive difference in the communities in which we operate.

By that measure, 2012 was a good year for Agnico Eagle.

For our shareholders, we set a new gold production record and announced go-ahead production decisions at both La India and Goldex. We saw our share price increase throughout the year by over 40%, and we finished the year by raising our quarterly dividend by 10%.

For our employees, we improved our safety performance, maintained our standards of excellence, and – through everybody's hard work and dedication – we were recognized once again for our employment, environmental stewardship, governance, community engagement, and health and safety performance.

In health and safety, we achieved a combined lost-time accident (LTA) frequency rate of 2.44 – substantially below our target rate of 3.3 and our lowest rate ever. To achieve this in the same year in which we set record levels of production is a remarkable outcome.

For 2013, our corporate objective for the combined LTA is 2.8 – or better than the average of the best two years of the last three. Our long-term goal is to strengthen our health and safety culture with more individual accountability and leadership to reach the ultimate goal of a workplace with zero accidents. A key objective for 2013 is to select performance indicators that will promote consistent improvement in Agnico Eagle's safety management program.

During the year, Agnico Eagle was recognized as one of the Best 50 Corporate Citizens in Canada by Corporate Knights magazine. Globally, we received seven major awards for our record of equal opportunity employment, safety, mine rescue, and social responsibility.

In December, we celebrated a very important milestone in Agnico Eagle's history – the production of more than one million ounces of gold in a single year. More than just a number, our millionth ounce of gold signifies the hard work, determination, vision and ingenuity it took to build Agnico Eagle into a world-class gold mining company.

It is our employees who continue to make the difference at Agnico Eagle. This report pays tribute to the many employees of Agnico Eagle who are making a difference in their communities, in their workplace and in the mining industry.

Together, we've created a great place to work.

For our communities, we believe in making a positive difference in the well-being of the local regions in which we operate.

Our biggest contribution is through the creation of long-term employment opportunities, improvement in education and training, building local capacity and provision of economic development opportunities. We also work closely with our neighbouring communities to develop alternative employment and business opportunities to help diversify local economies.



For example, at both the Meadowbank mine in Nunavut and the Pinos Altos mine in Mexico, in addition to our commitment to hiring local employees and contractors, we provided funding and support to two small clothing manufacturing businesses to help them become suppliers to the mining industry. Seven people are presently employed at the local clothing business in Cahusori, Mexico, and four people are currently employed at the local clothing business in Arviat, Nunavut.

We are working at integrating sustainability into all aspects and stages of our business – from our exploration and acquisitions activities to our operating and site closure plans. We believe that this integration will make a difference in the way we operate.

This integration will be done through the development and implementation of a formal Health, Safety, Environment and Social Acceptability Management System – the so-called Responsible Mining Management System (RMMS) – which was started in 2012. The aim of the RMMS is to further promote a culture of accountability and leadership that encourages our employees to continuously improve our sustainability performance. The system will be consistent with the ISO 14001 Environmental Management System and the OHSAS 18001 Health and Safety Management System.

In 2013, we will continue to strengthen our management processes and systems to ensure we are meeting global standards and practices, as well as our own needs and the evolving expectations of society.

A handwritten signature in black ink that reads "Sean Boyd".

Sean Boyd
President and Chief Executive Officer



Sustainable development is defined as development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs.

Our Approach to SD

Our Approach to Sustainable Development

At the core of our Sustainable Development (SD) program we are committed to creating value for our shareholders by operating in a safe and socially and environmentally responsible manner while contributing to the prosperity of our employees, their families and the communities in which we operate. This has translated into the four fundamental values of our Sustainable Development Policy: operate safely, protect the environment, and treat our employees and communities with respect.

- Respecting and valuing our employees because our progress is built on their competence, capacity and engagement – these make a real difference in the success of our Company
- Empowering our employees to work collaboratively in a culture where safety and respect are paramount
- Using best industry practices and innovation to continuously improve our environmental and safety performance
- Acting in a socially responsible manner and contributing to the communities in which we operate, making a difference in their everyday life
- Working together with all of our employees and other stakeholders to create growth and prosperity, which allows all stakeholders to benefit
- Learning from our past experiences

Governance and Accountability

Our governance practices guide our behaviour and performance, helping to ensure we act in an ethically responsible manner and uphold our core values. Agnico Eagle has established a “whistleblower” toll-free ethics hotline for anonymous reporting of any suspected violations of the Code of Business Conduct and Ethics, including, but not limited to, concerns regarding accounting, internal accounting controls or other auditing matters, code of conduct violations, ethical conflicts, environmental issues and health and safety issues. Each quarter, a report is submitted to the Audit Committee outlining the number of complaints received since the previous report.

Management accountability: Our SD program and values are integrated at the operational, executive and Board levels. Corporate oversight and implementation of the program are the direct responsibility of three executive officers – the Senior Vice-President of Human Resources, who is responsible for human resources, and the Senior Vice-President of Environment and Sustainable Development, who is responsible for environmental oversight and who is assisted by the Vice-President of Health and Safety and Community Relations for health and safety and community engagement oversight.

Processes are in place to ensure that Sustainable Development matters (health and safety, environment and social acceptability) are integrated into the day-to-day management of our business at the operational level. Our operations identify, prioritize, monitor, manage and mitigate sustainability risks on a daily basis. Issues are discussed during weekly operational conference calls where all mine managers report on their performance over the past week, reviewing the highlights of their safety and environmental performance as well as their community engagement activities. Problems and solutions are shared among divisions, contributing to the continuous improvement of our performance. Reporting on



sustainability matters is also part of the monthly operational report provided to management. These reports include key performance indicators which have been established for water use, energy use and greenhouse gas emissions. During the Quarterly Business Review meetings, which involve the operations managers and executive team, SD issues are typically presented and discussed. Risk assessments with identification of mitigation measures are also covered. Finally, SD matters are presented to the Health, Safety, Environment and Sustainable Development Committee of the Board of Directors at each Board meeting.

Respect for Our Employees

We aim to maintain a safe and healthy workplace that is based on mutual respect, fairness and integrity.

To achieve this we:

- Ensure that no discriminatory conduct is tolerated in the workplace;
- Provide a fair and nondiscriminatory employee grievance system;
- Value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias;
- Employ and promote employees on the basis of merit;
- Provide fair and competitive compensation;
- Enforce a drug- and alcohol-free workplace;
- Maintain the confidentiality of collected personal and private information about employees;
- Recognize the right of employees to freedom of association;
- Provide appropriate training and development opportunities;
- Consult, communicate and provide appropriate support to employees during their association with AEM.

Our Code of Conduct

Agnico Eagle's Code of Business Conduct and Ethics outlines the standards of ethical behaviour we expect from people working on behalf of our Company around the world. The Code applies to all directors, officers, employees, agents and contractors and commits them to conducting their business in accordance with all applicable laws, rules and regulations and to the highest ethical standards. In particular, AEM has zero tolerance for corrupt transactions and strongly adheres to anti-corruption rules and principles as outlined in the Code. The Code also covers our standard of conduct based on respect for personal dignity and individual worth of every person working for or with Agnico Eagle. The Code stipulates a no tolerance level for discrimination. On an annual basis, all staff employees are required to review and certify that they have understood the Code of Business Conduct and Ethics.

Human Rights

Agnico Eagle has incorporated respect for human rights into our management and governance practices and programs.

Our Board of Directors has made it clear that we will only do business in regions where human rights laws are respected and promoted. As a Canadian company, we maintain our commitment to the Canadian Charter of Rights and Freedoms while operating internationally, ensuring that all of our employees are treated with respect and dignity.

Informed consent: AEM subscribes to the principle of informed consent when working on private land, including aboriginal land. We seek the consent of the land owner; this consent usually takes the form of a formal agreement acknowledging that AEM will conduct work in a certain area and under certain conditions.

Child and Forced Labour

AEM does not in any way support or facilitate child labour or forced labour practices. This applies to mining operations, exploration and other development activities in which we are directly or indirectly engaged. It also applies to all outsourced or subcontracted activities across the entire supply chain. We do our best to ensure that none of our activities result in direct or indirect support of such practices. We will take action to terminate any such arrangement should we become aware that such practices are being supported by one of our outsourced suppliers.



Crisis Management and Emergency Preparedness

Because of the nature of our business and where we operate, Agnico Eagle has developed an effective emergency response capacity at all of our operating divisions. Training personnel to respond to all forms of emergencies remains a key element of our health and safety programs. Our mine rescue teams are considered among the best in the industry and they regularly participate in industry competitions to further develop their skills and share best practices.

These individuals make a difference in the safety of the workplace by being prepared to respond in the event of an emergency situation at any of our minesites.

What motivates a member of Agnico Eagle's mine rescue team?

In 2012, five of our mines competed in mine rescue competitions. In May 2012, all three of our Abitibi-based mines, LaRonde, Lapa and Goldex, qualified to compete in the Quebec Annual Provincial Mine Rescue competition. Goldex won best technical and theoretical performance while Lapa won best first aid performance. LaRonde won best management team and placed first overall, winning the mine rescue championship.

In July 2012, Meadowbank participated in the Northwest Territories (NWT) mine rescue competition in Yellowknife, finishing second overall and winning the firefighting competition.

Each of AEM's mining operations has its own Emergency Response Plan and has personnel trained to respond to safety, fire or environmental emergencies. Each site also maintains the appropriate response equipment. In Mexico, our emergency response team was called upon by local authorities on several occasions to help in emergency situations outside the minesite. In 2012, we undertook a full review of our Emergency Response Plans at all of our divisions, including the communications component, to ensure consistency and that major risks are covered.

Public Policy Participation

One of the ways that Agnico Eagle is making a difference in the industry is through public policy participation. Agnico Eagle is a member of the Mining Association of Canada (MAC), the Mexican Chamber of Mines (CAMIMEX), the Association of the Finnish Extractive Resources Industry (Kaivannaisteollisuus ry – FinnMin) and the European Association of Mining Industries, Metal Ores & Industrial Minerals (Euromines) through our Finnish subsidiary Agnico Eagle Finland Oy, as well as the Quebec Mining Association (l'Association minière du Québec – AMQ) and the NWT & Nunavut Chamber of Mines. We typically participate in public policy issues as a member of these industry organizations.

AEM encourages the development of sound public policy through open dialogue and debate. Through the Conference Board of Canada, we participate in the Centre for the North – an organization whose main purpose is to work with aboriginal leaders, businesses, governments, communities, educational institutions and other organizations to achieve a shared vision of sustainable prosperity in the north. The Centre's goal is that within five years it will have built a common vision of sustainable prosperity among key northern stakeholders and helped them establish and implement policies, strategies and practices capable of transforming that vision into reality.



What motivates a member of Agnico Eagle's mine rescue team?

Every member of an Agnico Eagle mine rescue team undergoes extensive hours of training, testing and competition. They must be away from their families, friends and their official jobs for hours and days on end. While they love to train, compete and win trophies, what motivates them to train extensively and prepare for incidents that, hopefully, will never happen?

Pedro Murillo Baca, an underground mechanic who has worked for Agnico Eagle Mexico since 2007 and is the captain of the Hydraulic Rescue team, says there is no better feeling than making a difference by saving someone's life in a real-life emergency situation.

"Recently a lady from the community was in a car accident. Unfortunately her arm had to be amputated but she didn't lose her life. While transporting her to the hospital, I felt the enormous effort she was making to stay alive which motivated me to continue my training. In the condition that she was in, she never gave up and I thought, "If she is so strong and not willing to give up, then I will try twice as hard to keep helping those who need it the most."

In another emergency, Pedro and his team were on their way back from transporting someone to Chihuahua when they witnessed a car accident. "We were already in the ambulance and ready to help. Knowing that I am ready and able to respond to complete strangers in an emergency situation with my teammates makes the adrenaline rush through my veins."



In 2012, we took a number of steps to ensure our SD program focused on our most material issues and to determine how we were measuring up to expectations in this area.

Materiality and Stakeholder Engagement





Making a Difference Where It Matters

Our core values support our long-term goals to responsibly grow our gold business, continuously improve our SD performance, and deliver on our commitments to AEM's shareholders and stakeholders. In all aspects of our business we aim to: operate safely, protect the environment, and treat our employees and communities with respect.

As a global mining company, AEM has a unique responsibility to ensure we are addressing the evolving needs and priorities of our business and key stakeholders – including shareholders, employees, contractors, business partners, communities, governments and others. In 2012, we took a number of steps to ensure our SD program focused on our most material issues.

A material issue is defined as an issue

- that has significant current or potential impact on the Company over the next three to five years;
- that is of significant concern to our key stakeholders; and
- over which we have a reasonable amount of control.

In 2012, we held our second Stakeholder Advisory Committee (SAC) meeting; Committee members are independent stakeholders with expertise in sustainability, community development, disclosure and governance practices. The Committee provides us with guidance on building a focused sustainability strategy by reviewing our social investment priorities and our sustainability initiatives. The goal of this more focused strategy is to provide clear outcomes and rewards for both Agnico Eagle and the communities in which we operate.

One key recommendation from the SAC is to provide a more focused and balanced report by prioritizing our material issues. Based on this feedback, we conducted a materiality assessment which included a review of leading global industry practices and standards including the latest sustainability guidelines (GR3.1) from the Global Reporting Initiative (GRI) and the Mining Association of Canada's TSM (Towards Sustainable Mining) Initiative. The purpose of the assessment was to determine AEM's "material SD issues" as defined above.

This initial assessment identified our most material SD issues (see the figure above), which are:

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

It is important to note that while we consider the issues in the upper-right sector to be the most material, none of the issues are considered unimportant; the position of each topic in the matrix simply represents our understanding of its relative potential impact on Agnico Eagle and our stakeholders.

More Targeted Reporting

Based on the feedback we have received from external experts and our key stakeholders, our report now focuses mainly on issues with the highest impact on our business from both a company and stakeholder perspective as well as on issues where we can make a real difference. It also addresses the need to provide a more focused and balanced view of our material business issues. As our business and the challenges we face continue to evolve, we look forward to working with stakeholder and industry experts on ways to further improve our SD performance and reporting programs.



Governance

Governance and Accountability for Sustainable Development

Our governance practices guide our behaviour and performance, helping to ensure we act in an ethically responsible manner and hold ourselves accountable to the commitments, values and principles contained in our Sustainable Development Policy. In doing so, we strive to make a difference in the public's perception of the mining industry.

Our sustainability program and values are integrated at the operational, executive and Board levels.

Our Board consists of 13 directors. All but one director are independent of management and free from any interest or business that could materially interfere with their ability to act in the Company's best interests.

The Board is ultimately responsible for overseeing the management of the business and affairs of the Company and, in doing so, is required to act in the best interests of the Company. It discharges its responsibilities either directly or through four committees:

- Corporate Governance Committee
- Audit Committee
- Compensation Committee
- Health, Safety, Environment and Sustainable Development Committee

Management and Board accountability: Our SD program and values are integrated at the operational, executive and Board levels. Corporate oversight and implementation of the program are the direct responsibility of three executive officers – the Senior Vice-President of Human Resources, who is responsible for human resources, and the Senior Vice-President of Environment and Sustainable Development, who is responsible for environmental oversight and who is assisted by the Vice-President of Health and Safety and Community Relations for health and safety and community engagement oversight. In 2012, the Board created a committee responsible for the oversight of our Sustainable Development program (the Health, Safety, Environment and Sustainable Development Committee).



Agnico Eagle wants to invest in environmental and social responsibility initiatives that make a difference and that are strategically linked to the priorities and expectations of our key stakeholders.

Stakeholder Advisory Committee

We have established a Stakeholder Advisory Committee (SAC) to help us make strategic links and to complement our existing local stakeholder engagement activities. This approach also supports our global efforts to engage with our stakeholders on a regular basis and in a meaningful way.

The SAC provides us with constructive feedback from a diverse group of priority stakeholders. It provides advice on building a focused sustainability strategy and a business case for our investments in sustainability, as well as reviewing our sustainability initiatives – including our environmental and social policies, programs, operational performance, communication and engagement.

Members of Agnico Eagle’s Stakeholder Advisory Committee are:

ENVIRONMENT

Gary Ash

Senior Fisheries Biologist/Principal
Golder Associates
Edmonton, AB

COMMUNITY DEVELOPMENT

Meg French

Director, International Policy and Programs
UNICEF Canada
Toronto, ON

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Representative

Large institutional investor
Montreal, QC

INUIT AND ARCTIC ENVIRONMENT

Mary Simon

Mary Simon Consultants Inc.
Former President, Inuit Tapiriit Kanatami
Ottawa, ON

BUSINESS ETHICS

Wesley Cragg

Senior Scholar and Professor, Schulich School of Business;
and Project Director and Principal Investigator,
Canadian Business Ethics Research Network (CBERN),
York University
Toronto, ON

SUSTAINABLE DEVELOPMENT, SAFETY AND MINING

Ross Gallinger

Executive Director
Prospectors and Developers Association of Canada (PDAC)
Toronto, ON

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Sandra Odendahl

Director, Corporate Sustainability
Royal Bank of Canada
Toronto, ON

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Irene Sosa




Senior Analyst, Research Products
Sustainalytics
Toronto, ON

*Please note that members provide their input and expertise as individuals rather than as representatives of their organizations.







In response to feedback from the Committee’s inaugural meeting in 2011, we identified key priorities and developed the following action plans to respond to their core recommendations. AEM has assessed our progress to date as follows:

Leadership, Governance and Accountability

Recommendation	Status	Action
<p>Develop a Board level sustainability subcommittee, and consider Board level capacity building needs</p>	<p> Completed</p>	<p>The transformation of the Health, Safety and Environment (HSE) Committee into the HSE/Sustainable Development Committee established in 2012</p>
<p>Identify and articulate the link between sustainability and corporate strategy</p> <p>Determine and communicate how this strategy/sustainability link can be operationalized at site level</p>	<p> Completed</p>	<p>Following a policy review of our:</p> <ul style="list-style-type: none"> • Code of Business Conduct and Ethics • Donations Policy • Environment Policy • Health and Safety Policy <p>a new Sustainability Policy was developed that integrates health, safety, environment and social responsibility considerations</p>
<p>Evaluate and adjust our code of ethics, so there is a stronger link to values and sustainability</p>	<p> In process</p>	<p>We are in the process of evaluating the content of our Code of Business Conduct and Ethics</p>



Stakeholder Engagement and Consultation

Recommendation	Status	Action
<p>Identify and communicate how the Company is addressing risks linked to security and human rights in Mexico</p>	<p> Completed</p>	<p>2011 CSR Report included a discussion on the security and human rights measures instituted in Mexico</p>
<p>Develop/enhance Agnico Eagle policies, guidelines and suggested practices linked to stakeholder engagement</p>	<p> In process</p>	<p>Implementation of the integrated Responsible Mining Management System (RMMS) will track commitments more consistently and help improve performance</p>
<p>Create site-specific summary reports to meet local stakeholder expectations for content and language</p>	<p> Completed</p>	<p>Produced site-specific fact sheets for 2012</p>
<p>Develop grievance mechanisms to ensure stakeholder concerns are voiced and managed responsibly</p>	<p> In process</p>	<p>Re-examining our whistleblower policy and potential process to include SD accountability</p>



Carbon, Environment and Safety Management

Recommendation	Status	Action
<p>Improve transparency of decisions relating to EH&S issues and initiatives (e.g., tailings management)</p>	<p> Completed</p>	<p>Published in 2011 CSR Report</p>
<p>Ensure EH&S policies are applied locally, while identifying examples where incidents have occurred</p>	<p> In process</p>	<p>Integration of the EH&S policies into the Sustainable Development Policy will make application easier and more consistent; RMMS implementation will complement and support the SD Policy</p>
<p>Hire a third-party expert to review and recommend improvements to EH&S programs and systems</p>	<p> Completed</p>	<p>RMMS is being implemented with guidance from an external firm specializing in the implementation of EH&S systems</p>
<p>Shift to aspirational (Zero Harm) safety targets, and develop “leading” performance indicators</p>	<p> In process</p>	<p>Long-term goal is reduction of the occurrence of accidents to none. Annual targets set by using an average of the best two years of performance from each site. Historical performance will be used to continuously reduce our targets and improve performance</p>
<p>Shifting to positive indicators for Health and Safety</p>	<p> In process</p>	<p>Internal task force initiated to implement new activity based performance indicators such as hours of training, safety meetings and tasks observations.</p>
<p>Obtain certification for ISO 14001 (Environment) and OHSAS 18001 (OH&S) management systems</p>	<p> Recommendation only partly followed</p>	<p>RMMS will follow ISO 14001 and OHSAS 18001 standards; however, Agnico Eagle will not apply for certification at this time.</p>



Our Approach to SD / Stakeholder Advisory Committee

In 2013, we will continue to advance the initiatives outlined above and develop and implement action plans to address the following recommendations made by the SAC in 2012:

Strategic community investment: The SAC identified the need to develop a more strategic approach to community investment that addresses community needs; aligns itself with AEM's business strategy; develops clear objectives that are targeted and material to our stakeholders; is more sustainable over the long term; takes a consistent, balanced and collaborative approach; and regularly measures the impact of our investments.

Building capacity in the north: The SAC provided insight and guidance into how we can help build capacity in the north and better understand the vision of the people for their territory including: understanding the root causes and contributors to community, employee and workplace challenges; improving education and training in the north, with a focus on broader community economic development; better communicating the benefits of mining to local communities; developing enhanced partnerships with community, non-profit and research organizations to improve capacity building efforts in the north; and reflecting on our profile and how we are perceived locally, as we seek to be viewed as a legitimate partner in the community.

Our goal, which reflects the SAC's valuable guidance, is to ensure we develop a focused and strategic sustainability program – one that is fully integrated into our overall business plan and provides clear outcomes and rewards for both Agnico Eagle and the communities in which we operate.



Standards

As part of Agnico Eagle’s overall commitment to continuous improvement, we have steadily increased our presence on national, international and industry-specific boards and organizations. These organizations help us improve and measure our performance by providing research and guidance on the latest industry standards and global best practices.

As a participant in the following groups and initiatives, we have designed our RMMS to ensure that the following compliance requirements and industry standards are met:

- BNQ 21000 (Quebec)
- Carbon Disclosure Project (CDP)
- Global Reporting Initiative (GRI)
- International Cyanide Management Code
- Towards Sustainable Mining (TSM) Initiative
- World Gold Council – Conflict-Free Gold Standard

The RMMS will be based on ISO 14001 and OHSAS 18001; however, certification under these standards will not be sought.

BNQ 21000

The BNQ 21000 is a Quebec-based initiative that encourages small, medium and large companies in the province to introduce sustainable development principles into their business practices. The program was developed by the Quebec Standards Office (Bureau de Normalisation du Québec), a government agency. This program is a result of the adoption by the Quebec government of a Sustainable Development Act in 2006.

This program is aimed at providing Quebec with a reference adapted to its law and culture, to ensure that sustainable development issues are taken into consideration in business strategies and management. It also proposes the implementation of the BNQ 21000 approach in pilot organizations, so as to integrate the principles of sustainable development in their strategies and management approach. These pilot organizations will serve to validate and improve the tools and methods of the BNQ 21000 approach, which will eventually be made available to all organizations in Quebec. Continuing into 2012, AEM’s three Abitibi divisions – LaRonde, Lapa and Goldex – participated in the pilot.

The BNQ 21000 pilot program consists of an analysis, involving the participation of different stakeholders. This analysis aids in the identification of the strengths and weaknesses of a company based on its issues of priority, to subsequently guide it towards the adoption of a management approach that allows for the achievement of its strategic objectives. It is made up of seven steps: sharing your vision, consulting your stakeholders, acknowledging your present situation, identifying your issues, choosing your priorities, communicating your commitments, and taking action.



Following the analysis process with the pilot program, AEM was portrayed as a “proactive” company, based on the average results obtained from the key individuals consulted. Some of the major actions recommended include:

- Regularly communicate the mission, vision and values of the company as well as its key strategies;
- Further elaborate the decisions taken by the company and ensure they correlate with the company’s ethical code (walk the talk);
- Ensure the company’s CSR report is readily available and explicit;
- Improve communication of training available for employees;
- Create a working group or use existing mechanisms (e.g., occupational health and safety) to elaborate an action plan that addresses work-related stress and illnesses;
- Ensure your employees are acquainted with your company’s Sustainable Development program;
- Establish a specific training on greenhouse gases and other types of emissions; and
- Ensure your employees are acquainted with your company’s internal procedures regarding the management of complaints from neighbours.

Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is an independent, not-for-profit organization working to drive greenhouse gas (GHG) emission reductions by business and cities. The CDP does this by encouraging organizations to annually measure, disclose, manage and share environmental information – particularly their GHG emissions and climate change risk factors.

The CDP’s goal is to encourage a rational response to climate change by facilitating a dialogue between stakeholders and businesses supported by harmonized, quality data. AEM made its first submission to the CDP in 2007 and we will continue to report on an annual basis. For more information on the Carbon Disclosure Project, visit www.carbondisclosureproject.net.

Global Reporting Initiative

The GRI sets out specific criteria and indicators that organizations can use to measure and report on their economic, environmental and social performance. We measure our performance using the G3 Sustainability Reporting Guidelines, including mining industry specific indicators incorporated in the GRI’s Mining and Metals Sector Supplement (MMSS). Agnico Eagle self-declares that we are reporting at a Level A based on the GRI G3.1 and MMSS guidelines. For more information, visit www.globalreporting.org.

International Cyanide Management Code

The Cyanide Code is a voluntary industry program for companies that use cyanide to recover gold. It 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 – through every stage of the mining process. Agnico Eagle signed the Cyanide Code in 2011 and our nominated operations are working towards certification within the three-year deadline. For more information on the Cyanide Code, visit www.cyanidecode.org. To learn more about Agnico Eagle’s cyanide management practices, click here.



Towards Sustainable Mining

In December 2010, Agnico Eagle became a member of the Mining Association of Canada (MAC) and fully endorsed its Towards Sustainable Mining (TSM) Initiative. TSM helps the mining industry sustain its position as a leading economic contributor, while protecting the environment and remaining responsive to Canadians. It helps the industry maintain its social licence to operate by providing a framework for companies to become proactive and socially responsible operators.

TSM was developed to help mining companies evaluate the quality, comprehensiveness and robustness of their management systems under six performance elements: crisis management, energy and GHG emissions management, tailings management, biodiversity conservation management, health and safety, and aboriginal relations and community outreach. These TSM indicators have been incorporated into the framework of our Responsible Mining Management System (RMMS).

In 2012, we continued to train all of our divisions on the implementation of the TSM Initiative. Our self-assessment of how we currently rate against the TSM indicators is presented in the Performance Data section of this report. We aim to achieve a Level A rating at all of our mines. As a member of MAC, we will have to undergo an external verification of our TSM performance by the end of 2013. Such external verification will be conducted at each facility every three years thereafter. More detailed information can be found at www.mining.ca.

Conflict-Free Gold Standard

AEM is a member of the World Gold Council (WGC), a market development organization whose members are some of the world's leading gold producers. As the global advocate for gold, the WGC plays a key role in the development of a responsible gold mining industry.

The WGC believes that the mining of gold should be a source of economic and social development wherever it is found and that any possibility of gold being used to fund armed conflict must be eradicated. The WGC and its members, including AEM, have been working with a range of stakeholders to devise a system to identify how newly mined gold can be certified as "conflict-free" and so aim to exclude "conflict gold" from the market. For more information visit www.gold.org.



SD Recognition/Awards and Certifications

Year after year, our employees make a difference by demonstrating leadership and innovation in the workplace, and 2012 is no exception. The following are some of the special achievements, recognition awards and certifications our team has received this year:

Best 50 Corporate Citizens in Canada: In 2012, Agnico Eagle was ranked by Corporate Knights magazine as one of Canada’s top 50 corporate citizens – defined as a company that fulfills its part of the social contract, while developing innovative solutions to the pressing social and environmental challenges of our time.

Promoting Excellence: Agnico Eagle was the recipient of the Extra Award for “Work and Study” from the Rouyn-Noranda Chamber of Commerce and Industry. This award recognizes a company that provides support to its employees who want to further advance their academic standing by obtaining a degree, and/or offers flexible work schedules during exam periods in order to promote success and retention.

Socially Responsible Company: For the sixth 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, Agnico Eagle’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. This certification is valid for two years.

Silver Hard Hat: Pinos Altos won the “Silver Hard Hat” award at the 2012 annual safety awards of the Mexican Chamber of Mines, for maintaining the best safety statistics – by an underground mine with more than 500 workers – within the Mexican mining industry during 2012.

The Pinos Altos Mine Rescue Team also achieved a first place finish in the North Zone Mexican Mines Rescue competition on November 28, 2012. The event was hosted at the Grupo Mexico company facilities, in Parral City, Chihuahua State, Mexico.

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.

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.



As we move into 2013, we will continue to measure our performance against the leading global standards of our industry and against the core values of our Company.

Objectives

Our 2012 CSR Report covers activities at our five mining operations located in: Canada (LaRonde, Lapa and Meadowbank, northern Finland (Kittila) and northern Mexico (Pinos Altos). Information on our Goldex mine has been included in this report, including data for total emissions and uses categories. However, data does not include calculations of intensity as activities were mostly restricted to care and maintenance, remediation and exploration.

Our CSR Report presents information on the economic, health, safety, environmental and social performance of AEM for 2012. Our goal is to provide our stakeholders with a better understanding of how we are measuring up in terms operational safety and environmental and social risks. We also describe our efforts to evolve and improve our corporate responsibility and risk management systems and performance.

We also include a discussion of the current status of the closed minesites over which AEM has responsibility. These sites include the Preissac Molybdenite, Eagle and Telbel minesites in northwestern Quebec and several closed silver minesites in Cobalt and Coleman, Ontario (some historical sites and some formerly operated by Agnico Mines). Our report includes only those operations where AEM has managing control and therefore does not include any activities by companies in which we hold a minority investment.

We have enhanced the reporting of our major exploration activities. While we have engaged more resources to better track our health, safety, human resource and environmental performance, we continue to refine our data collection and key performance indicators in this area. We are using the Prospectors and Developers Association of Canada's (PDAC) E3 Plus Framework for Responsible Exploration as a guidance tool.

In compiling this report, we have measured our performance using indicators developed by:

- the Mining Association of Canada (MAC) under its Towards Sustainable Mining (TSM) Initiative;

- the Sustainability Reporting Guidelines (G3.1) developed by the Global Reporting Initiative (GRI) including mining industry-specific indicators; and
- AEM-specific indicators.

With three years of comparable data from each of our facilities, we are better able to track and report on current and trending performance as measured against our past performance and objectives, as well as the performance of our industry peers. This enables our stakeholders to monitor our annual progress and to benchmark our performance against current norms, performance standards, codes, laws and voluntary initiatives.

We believe the indicators we report against reflect AEM's most significant social, socio-economic and environmental risks and challenges, which will help our stakeholders fully understand and assess our SD performance.

Presentation of data: Unless otherwise specified, all monetary values are expressed in US dollars, and all measurements are in metric units.

Reporting assurance: We continue to report in accordance with the GRI's G3.1 sustainability reporting guidelines to a self-declared A level. The GRI's Technical Protocols, Indicator Protocols, and Mining and Metals Sector Supplement were used to further guide the development of AEM's report.

Our 2012 CSR Report has not been verified by an independent third party.



2012 Performance



With four years of comparable data from each of our facilities, we are better able to track and report on current and trending performance as measured against our past performance and objectives, as well as the performance of our industry peers.

In 2012, AEM made progress on improving our overall SD performance. We achieved key environmental, economic, human resource and community objectives.

The tables on the following pages show the performance against our targets for 2012 and our targets for 2013. Although our Towards Sustainable Mining (TSM) results are much the same as last year's, they are reflective of our strong performance in the areas of Crisis Management and Preparedness, Tailings Management, Health and Safety, as well as the need for improvement with respect to our strategy towards Energy Management and Biodiversity Conservation. We continue to strive for our aggressive goal of Level A in all TSM protocols at all of our operating divisions. We have also chosen to integrate the TSM protocols into our Responsible Mining Management System (RMMS) to ensure that the leading industry best practices are integrated into our AEM everyday practices. As we move into 2013, we will continue to measure our performance against the leading global standards of our industry and against the core values of our Company.



2013 Targets

		2010 Performance	2011 Performance	2012 Performance	2013 Target*
 Health and Safety	Lost-Time Accident Frequency	3.32	3.21	2.44	2.8
 Environment	Fresh Water Use Intensity	0.52 m ³	0.40 m ³	0.38 m ³	0.39 m ³
	Environmental Spills	No category 3, 4 or 5 environmental incidents	No category 3, 4 or 5 environmental incidents	No category 3, 4 or 5 environmental incidents	Report 100% of spills
	GHG Emission Intensity	0.026	0.024	0.029	0.025
 Social Responsibility	Towards Sustainable Mining	Self-assessment completed	Self-assessment completed	Integrated into RMMS planning	To achieve a Level A in each protocol

*We obtain our targets by averaging the best two of the last three years' performance.



Health and Safety

Health and Safety Objective	2010 Performance	2011 Performance	2012 Performance																																																												
Reduce combined lost-time accident (LTA) frequency for all AEM employees and contractors at all operating mines.	Combined LTA frequency was 3.32 – higher than in 2009 largely due to the start-up and optimization of the new mines which involved many new employees and procedures.	Combined LTA frequency was 3.21 which was lower than in 2010. 2011 saw the improved operational consistency at some of our newer mines, lending itself to lower turnover rates and more established procedures with respect to induction and safety training programs.	Combined LTA frequency was 2.44, substantially better than our target rate of 3.3 – and a 24% reduction from last year’s combined LTA of 3.21. The 2012 figure reflects a total of 151 accidents that resulted in either lost time or assignment to light duty while the employee fully recovered. This compares to 197 similar accidents in 2011 and 163 similar accidents in 2010.																																																												
Achieve a combined LTA frequency at each of our mining operations that is below the industry average in that region.	<p>Combined LTA frequency for employees and contractors at each mine was as follows:</p> <table border="1"> <tr><td>Lapa</td><td>7.1</td></tr> <tr><td>Goldex</td><td>2.26</td></tr> <tr><td>LaRonde</td><td>5.92</td></tr> <tr><td>Kittila</td><td>5.32</td></tr> <tr><td>Pinos Altos</td><td>1.65</td></tr> <tr><td>Meadowbank</td><td>2.49</td></tr> <tr><td>Exploration</td><td>0</td></tr> <tr><td>Regional Services</td><td>0</td></tr> <tr><td>Head Office</td><td>0</td></tr> <tr><td>AEM combined</td><td>3.32</td></tr> </table> <p>Average combined LTA frequency for the metal mining industry in Quebec in 2010 was 4.8.</p>	Lapa	7.1	Goldex	2.26	LaRonde	5.92	Kittila	5.32	Pinos Altos	1.65	Meadowbank	2.49	Exploration	0	Regional Services	0	Head Office	0	AEM combined	3.32	<p>Combined LTA frequency for employees and contractors at each mine was as follows:</p> <table border="1"> <tr><td>Lapa</td><td>6.17</td></tr> <tr><td>Goldex</td><td>1.93</td></tr> <tr><td>LaRonde</td><td>4.2</td></tr> <tr><td>Kittila</td><td>3.94</td></tr> <tr><td>Pinos Altos</td><td>0.95</td></tr> <tr><td>Meadowbank</td><td>5.16</td></tr> <tr><td>Exploration</td><td>5.26</td></tr> <tr><td>Regional Services</td><td>0</td></tr> <tr><td>Head Office</td><td>0</td></tr> <tr><td>AEM combined</td><td>3.21</td></tr> </table> <p>Average combined LTA frequency for the metal mining industry in Quebec in 2011 was 4.2.</p>	Lapa	6.17	Goldex	1.93	LaRonde	4.2	Kittila	3.94	Pinos Altos	0.95	Meadowbank	5.16	Exploration	5.26	Regional Services	0	Head Office	0	AEM combined	3.21	<p>Combined LTA frequency for employees and contractors at each mine was as follows:</p> <table border="1"> <tr><td>Lapa</td><td>7.89</td></tr> <tr><td>Goldex</td><td>5.2</td></tr> <tr><td>LaRonde</td><td>2.3</td></tr> <tr><td>Kittila</td><td>2.62</td></tr> <tr><td>Pinos Altos</td><td>1.02</td></tr> <tr><td>Meadowbank</td><td>3.48</td></tr> <tr><td>Exploration</td><td>1.58</td></tr> <tr><td>Regional Services</td><td>0</td></tr> <tr><td>Head Office</td><td>0</td></tr> <tr><td>AEM combined</td><td>2.44</td></tr> </table> <p>Average combined LTA frequency for the metal mining industry in Quebec in 2012 was 4.4.</p>	Lapa	7.89	Goldex	5.2	LaRonde	2.3	Kittila	2.62	Pinos Altos	1.02	Meadowbank	3.48	Exploration	1.58	Regional Services	0	Head Office	0	AEM combined	2.44
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Health and Safety Objective	2010 Performance	2011 Performance	2012 Performance
<p>Implement the Supervisory Formula Program, including the daily use of work cards, at all operations.</p>	<p>Does not reach all employees every day and thus our implementation will continue into 2011.</p>	<p>The implementation of the Supervisory Formula has been completed in each division at Agnico Eagle and all employees are using the system daily.</p>	<p>Continued to improve the application of the Supervisory Formula by conducting site audits to ensure each site is properly applying our Health and Safety system in their daily activities.</p>
<p>Implement safety induction and training programs for all new employees at each mine.</p>	<p>Induction safety training programs are now in place at all of our operations. At Meadowbank, we have completed translation of a small portion in Inuktitut and work continues on this objective.</p>	<p>The safety induction and training programs have been delivered in the respective languages of each division (French, English, Spanish, Finnish and Inuktitut).</p>	<p>We began the implementation of our Responsible Mining Management System (RMMS) at each division. For that implementation, we have appointed a global champion and a dedicated champion for the program at each division.</p>



Environmental

Environmental Objective	2010 Performance	2011 Performance	2012 Performance
<p>No fines or penalties imposed for environmental failures at any of our mines.</p>	<p>At Pinos Altos, we were fined \$1,000 due to an infraction relating to inadequate labelling of hazardous waste stored in our hazardous waste management facility. A system of identifying and labelling all such waste containers has now been implemented.</p>	<p>No fines or penalties in 2011.</p>	<p>No fines or penalties in 2012.</p>
<p>No category 3, 4 or 5 environmental incidents.</p> <p><i>A category 3 incident causes moderate, reversible environmental impact, with short-term effect, and requires moderate remediation.</i></p> <p><i>A category 4 incident causes serious environmental impact, with medium-term effect, and requires significant remediation.</i></p> <p><i>A category 5 incident causes disastrous environmental impact, with long-term effect, and requires major remediation.</i></p>	<p>No category 3, 4 or 5 environmental incidents.</p>	<p>No category 3, 4 or 5 environmental incidents.</p>	<p>No category 3, 4 or 5 environmental incidents.</p>
<p>Maximum of 20 regulatory non-compliance incidents.</p> <p><i>A non-compliance incident refers to any specific measurement that does not meet our compliance requirement; for example, exceeding maximum total suspended solids on a given day.</i></p>	<p>No non-compliance events.</p>	<p>One non-compliance event. Goldex exceeded the total suspended solids (TSS) allowed in the effluent of the Goldex south auxiliary tailings pond.</p>	



Environmental Objective	2010 Performance	2011 Performance	2012 Performance
<p>Complete construction and commissioning of ammonia-stripping treatment circuits for mine waste water at the Lapa and LaRonde minesites.</p> <p>The 2010 target was to meet design performance specifications at both treatment plants.</p>	<p>New ammonia-stripping water treatment plants were constructed and commissioned at the Lapa and LaRonde mines. The plants are now meeting performance targets for ammonia removal. However, we have experienced intermittent toxicity test failures for daphnia and/or trout in the sedimentation pond. During these periods, the batch discharge from the pond is halted and 100% of waste water is recirculated. We continue to address this issue.</p>	<p>In 2011, the ammonia treatment plant at LaRonde was operating intermittently. The system had been adapted from a municipal water treatment concept but was not well suited for the industrial usage at LaRonde. This resulted in scaling on pipes and pumps which required constant maintenance. The system is being modified to resolve this issue and ensure reliable continuous operation of the mechanical components. Completion is scheduled for Q2 2012. At Lapa, the ammonia treatment system has been operating through 2011 and is performing as designed.</p>	<p>No notice of infraction was received.</p> <p>Meadowbank effluent recorded an exceedance in the nitrate concentration. A review of water and explosive management in the open pit resolved the issue at the source. Meadowbank also exceeded the quantity of fresh water withdrawal specified in the permit. Meadowbank reviewed all water usage on site and expect to reduce its fresh water needs in 2013 with improved water management and increased water recycling.</p> <p>Kittila has exceeded the quantity of water discharged to the environment which is determined by the flow of the receiving river. The exceedance was caused by an error in the interpretation of the river flow.</p>
<p>Develop a formal environmental management system (EMS) consistent with the ISO 14001 international standards at each minesite.</p>	<p>AEM started development of a formal health, safety and environment (HSE) management system at all of its operations in 2010. The first step was to purchase and implement management software based on the ISO 14001 standards. The full system will be implemented in phases continuing through 2011 and 2012.</p>	<p>In 2011 we implemented the Intalex Health & Safety, Environmental Incident and Document Control modules at all of our divisions. We are currently in the process of implementing the Training module and will continue to implement the other modules such as Inspection and Safety Meeting modules at each of our divisions in 2012.</p>	<p>In 2012, work started on the development and implementation of an integrated Health, Safety, Environment and Social Acceptability Management System. This development and implementation will stretch until 2015.</p>



Environmental Objective	2010 Performance	2011 Performance	2012 Performance
<p>Environmental audits:</p> <p>Complete internal environmental audits at operating mines.</p>	<p>Internal environmental audits were completed at Pinos Altos (general audit) and Kittila (cyanide audit) by an internal multi-divisional team. External audits were carried out at LaRonde and Goldex.</p>	<p>An environmental audit was carried out at Meadowbank in 2011. Internal cyanide management audits were carried out at the Kittila, Pinos Altos and Mascota, and Meadowbank sites.</p>	<p>No environmental audits were carried out in 2012, as work was focused on the development of the integrated Health, Safety, Environment and Social Acceptability Management System. A gap analysis will be carried out at the beginning of 2013 and audits within the framework of the system will start again in 2014.</p>
<p>Energy use:</p> <p>Implement energy management committees at each mine.</p>	<p>Energy-use committees are in place at the LaRonde and Meadowbank mines. Similar initiatives are in development at our other divisions.</p>	<p>Was not fully implemented but template for implementation was prepared.</p>	<p>Energy management and energy management committees are being integrated into the RMMS.</p>
<p>Greenhouse gas emission intensity <i>(Tonnes of CO₂ equivalent per tonne milled)</i></p>	<p>0.026</p>	<p>0.024</p>	<p>0.029</p>
<p>Fresh water use intensity <i>(Water consumption from all sources in cubic metres per tonne of ore milled)</i></p>	<p>0.52 m³</p> <p>Fresh water use intensity is the amount of water usage per tonne of production.</p>	<p>0.40 m³</p> <p>In 2011, our fresh water use intensity was 0.40 cubic metres per tonne of ore milled, an improvement from 0.51 cubic metres per tonne of ore milled in 2010. Moving forward, AEM feels it is more relevant to the business to set water management targets as opposed to a numerical target tied to tonnage, which fluctuates. As such, our water management target for 2012 is for each site to have an up-to-date water balance.</p>	<p>0.38 m³</p> <p>Our withdrawal and use of fresh water from all sources was 0.39 cubic metres per tonne of ore milled, down from 0.40 cubic metres per tonne of ore milled in 2011, which represents a 2.5% reduction.</p>



Environmental Objective	2010 Performance	2011 Performance	2012 Performance
<p>Waste management:</p> <p>Implement five-year waste management plans at each operation to manage waste rock, tailings and other industrial waste.</p>	<p>Five-year tailings management plans exist at all of our operations and will need to be updated annually. We have waste rock management plans in place at Meadowbank, Kittila and Pinos Altos, where we have open pit operations.</p>	<p>Life of mine waste management plans are updated on a yearly basis.</p>	<p>The waste management plans will be included in the integrated RMMS.</p>
<p>Closure plans:</p> <p>Update current mine closure and reclamation plans at each AEM mine. The plans will include calculations of closure liability associated with each site.</p>	<p>Each operating division has a mine closure and reclamation plan. In 2010, the plan for Meadowbank was updated to reflect the start of operations. We continue to work on improving these plans, with a focus on updating the plan for the Pinos Altos heap leach facility in 2011.</p>	<p>Closure plans are reviewed on a yearly basis. In 2011, zero ban renew of the Kittila and Pinos Altos closure plans were done.</p>	<p>Updated closure plans for the LaRonde and Goldex mines were submitted to the Ministry of Natural Resources and Fauna. The closure plans for the Bousquet and Lapa sites were approved.</p>
<p>Effluent discharge intensity <i>(Total effluent discharge from all sources in cubic metres per tonne of ore milled)</i></p>	<p>0.98 m³</p>	<p>0.64 m³</p> <p>The effluent discharge intensity decreased from 0.98 cubic metres per tonne of ore milled in 2010 to 0.64 in 2011, a 35% reduction.</p>	<p>0.58 m³</p> <p>The effluent discharge intensity decreased from 0.64 cubic metres per tonne of ore milled in 2011 to 0.58 cubic metres in 2012, a 9% decrease.</p>



Social Responsibility and Community Engagement

Social Responsibility and Community Engagement Objective	2010 Performance	2011 Performance	2012 Performance
<p>Towards Sustainable Mining:</p> <p>Develop and implement systems at all mines to enable AEM to achieve a Level A self-assessment on all four (now six) of the Mining Association of Canada's TSM performance indicators.</p>	<p>AEM joined the Mining Association of Canada (MAC) in late 2010 and has fully endorsed the TSM Initiative. AEM conducted self-assessments at each facility in 2010 and early 2011 and we will externally verify our TSM performance every three years in accordance with the MAC guidance.</p>	<p>AEM continues towards its goal of a Level A in all protocols. In 2011 we carried out a gap analysis at each site and in 2012 will continue to create our action plan based on our findings to improve our performance in the coming years.</p>	<p>AEM continues towards its goal of a Level A in all protocols. In 2011 we carried out a gap analysis at each site and in 2012 will continue to create our action plan based on our findings to improve our performance in the coming years.</p>
<p>Each mine has a community engagement plan, which is unique to the setting and updated annually.</p> <p>Our 2010 objective was to continue to implement these community engagement plans at each mine.</p>	<p>Each mine continued to implement its community engagement plan in 2010.</p>	<p>Each mine continued to implement its community engagement plan in 2011 and will continue the process into 2012.</p>	<p>Each mine continued to implement its community engagement plan in 2012 with the help of newly developed tools to better picture the needs.</p>
<p>Continue operation of the Community Liaison Committee at Meadowbank mine.</p>	<p>The Committee operated in Baker Lake throughout 2010, and we are planning to organize a similar committee in Rankin Inlet in 2011 to engage with local stakeholders as we advance the Meliadine project.</p>	<p>The Committee operated regularly in Baker Lake throughout 2011. In Rankin Inlet, the terms of reference were established for the Community Liaison Committee in late 2011 and the inaugural meeting is scheduled for early 2012.</p>	<p>The Committee operated regularly in Baker Lake throughout 2012. In Rankin Inlet, the Community Liaison Committee held two meetings and will be re-established in 2013 when there is a final picture of the project; in the interim, a liaison coordinator has been established.</p>



Social Responsibility and Community Engagement Objective	2010 Performance	2011 Performance	2012 Performance
<p>Continue AEM's involvement in community projects in the communities where our mines are located.</p>	<p>We are an active supporter and contributor to the Kivalliq Mine Training Society, and we have a target of training 50 Inuit beneficiaries each year for three years, leading to direct employment at Meadowbank. To date, 64 Inuit beneficiaries have successfully completed the heavy equipment operator's training program, and we are involved in a similar program for mill operators.</p>	<p>Agnico Eagle will work together with the Government of Nunavut's department of education on two programs to encourage students in Kivalliq schools to consider careers in the mining industry.</p>	<p>Agnico Eagle and the Nunavut Department of Education signed a memorandum of understanding (MOU) aimed at maximizing the capacity of Inuit youth in the Kivalliq region of Nunavut in pursuing skilled trades and professional careers in the mining industry. AEM and the Nunavut government have committed to supporting a three-year Mining Matters education and outreach plan incorporating its various curriculum resources and materials into the camps, in-class workshops and public outreach events.</p>



In 2012, our combined lost-time accident frequency decreased by 24% to 2.44.

Health and Safety

We believe that all loss due to incidents and accidents is preventable. We aim to operate a safe and healthy workplace that is injury and fatality free. We believe that if we all work together, we can achieve zero accidents in the workplace and enhance the well-being of employees, contractors and communities.

To achieve a safe and healthy workplace we:

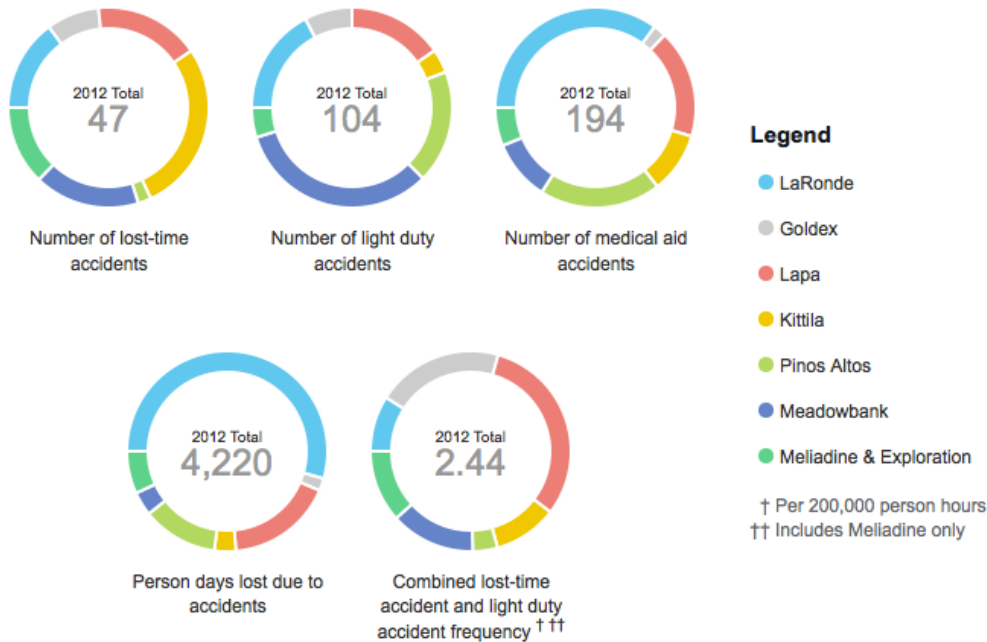
- Use sound engineering principles in the design and operation of our facilities;
- Provide appropriate training for all employees, at all levels of exploration, development, construction and operations;
- Minimize the generation of hazardous conditions and ensure controls are in place;
- Maintain occupational health and industrial hygiene programs;
- Provide appropriate tools to carry out the work safely and efficiently;
- Maintain a high degree of emergency preparedness to effectively respond to emergencies.

Our overall health and safety performance improved during the year. We achieved a combined lost-time accident (LTA) frequency of 2.44 – substantially below our target rate of 3.3 – and a 24% reduction from last year’s combined LTA frequency of 3.21. The 2012 figure reflects a total of 151 accidents that resulted in either lost time or assignment to light duty while the employee fully recovered. This compares to 197 similar accidents in 2011 and 163 similar accidents in 2010.

This is the lowest combined LTA rate we have ever achieved, and to do so in the same year we set record levels of production is a remarkable outcome.

During the year, we also provided extensive health and safety training to all supervisory levels and to our employees. We use the “supervisory formula” and its main tool – the work card – which engages everyone in looking after their own safety, and that of the people around them. It also encourages safety planning discussions and follow-ups. Everyone, from the directors to the superintendents, supervisors and miners at all of our operating divisions, has been trained to use the supervisory formula.

We are committed to maintaining the highest health and safety standards possible. Our long-term goal is to strengthen our health and safety culture with more individual accountability and leadership to reach the ultimate goal of a workplace with zero accidents. For 2013, our corporate objective is 2.8 – which is the combined LTA rate averaging the best two of the last three years’ performance. We will focus on continuously improving our safety performance: a key objective for 2013 is to select performance indicators that will demonstrate a consistent improvement in AEM’s safety management program.



Health and Safety Recognition

The Quebec Mining Association (AMQ) acknowledged our leadership in health and safety, recognizing 15 AEM supervisors for keeping their workers safe. The supervisors – from our Lapa, Goldex and LaRonde sites – received the AMQ safety recognition for 50,000 hours, 100,000 hours and 150,000 hours supervised without a lost-time accident. One supervisor, Yvon Delisle from our Goldex division, was recognized for achieving more than 250,000 hours without a compensable accident.

Pinos Altos won the “Silver Helmet” award at the 2012 annual safety awards of the Mexican Chamber of Mines, for maintaining the best safety statistics – for underground mines with more than 500 workers – within the Mexican mining industry during 2011.

The Pinos Altos Mine Rescue Team also achieved a first place finish in the North Zone Mexican Mine Rescue competition on November 28, 2012.

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.

Risk Management

In January 2012, Agnico Eagle identified naturally occurring asbestos fibres in the dust samples taken from the secondary crusher building at the Meadowbank mine. The Company has determined that these naturally occurring asbestos formations are being found in small areas of the ore zone from some areas of the Goose and Portage open pits.

Agnico Eagle is taking the appropriate measures to protect our employees by reducing the levels of dust that may contain asbestos and providing appropriate personal protective equipment (PPE), personal hygiene facilities and training. The Company has also instituted engineered controls, changed work practices, implemented personal hygiene protocols and provided training to control dust containing asbestos and prevent its spread to non-affected areas.

Our asbestos management program enables the Company to safely manage the issue within applicable Nunavut asbestos regulations and industry standards.

In 2012, formal risk assessments were performed at each of our four Canadian operations (Goldex, Lapa, LaRonde and Meadowbank) to identify major risks. The results of these assessments will be included in the risk register that will be created with the implementation of the RMMS, and action plans will be drawn to mitigate the identified risks.



Environment

We aim to minimize the effects of our operations on the environment and maintain its viability and its diversity.

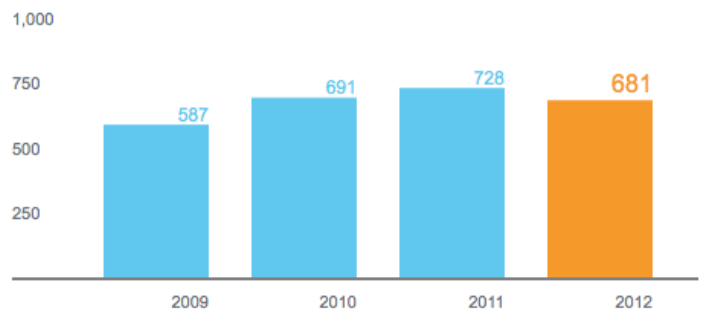
To achieve this we:

- Minimize the generation of waste and ensure its proper disposal;
- Manage tailings, waste rock and overburden to ensure environmental protection;
- Implement measures to conserve natural resources such as energy and water;
- Implement measures to reduce emissions to air, water and land, and to minimize our footprint;
- Implement measures to reduce our greenhouse gas emissions and address climate change;
- Integrate biodiversity conservation and land use planning considerations through all stages of business and production activities;
- Rehabilitate sites to ensure physical and chemical stability and in consultation with nearby communities in a timely manner.

Energy Use

Our total electricity consumed from the grid decreased from 728 million kWh in 2011 to 681 million kWh in 2012, a reduction of approximately 6%. The decrease was due to the shutdown of the Goldex operation (consumption at Goldex fell from 106 million to 28 million kWh). However, increased production at our other divisions to compensate for the production loss at Goldex offset most of this reduction, leading to a net reduction of 47 million kWh. The overall amount of electricity generated and consumed at the Meadowbank and Pinos Altos/Mascota sites decreased by 4%, from 860 GWh in 2011 to 828 GWh in 2012.

Electricity Consumed from the Grid
(in millions of kWh)



Diesel fuel consumption increased by 7% from 95 million litres in 2011 to 100 million litres in 2012. Even though suspension of activities at Goldex and the end of the open pit operation at Kittila reduced diesel fuel consumption by almost 5 million litres, increased waste rock stripping at Meadowbank increased diesel fuel consumption by more than 12 million litres, leading to an overall increase in diesel fuel consumption. This also translated into increased diesel fuel usage per tonne of ore milled, going from 6.75 litres per tonne in 2011 to 8.20 litres per tonne in 2012.

Natural gas usage decreased by 13% in 2012 compared to 2011, in part because of the suspension of mining at Goldex and in part because of better control.

At Pinos Altos, the primary energy source is electricity which is drawn from the national power grid. In Mexico, this power comes from a combination of hydroelectric and thermal power plants (mostly from burning diesel or other petroleum-based fuel). The Mascota heap leach operation, part of the Pinos Altos complex, is not connected to the grid and generates electricity with diesel fuel. In 2012, approximately 95% of the electrical power consumed at the Pinos Altos complex came from the utility grid system.



Meadowbank is a remote site with no viable connection to any power grid. The Nunavut region currently has no power distribution grid due to the vast size of the territory and the remoteness of its communities. Consequently, we generate our own power through the combustion of diesel fuel. In 2012, we generated 142 million kWh of power on site from 34 million litres of diesel fuel shipped north by the annual sealift. Waste heat from the Meadowbank power plant is captured and used to heat the maintenance buildings at the mine which, in this Arctic setting, is a considerable power savings. Aviation fuel is also used at Meadowbank, in the amount of 255,075 litres in 2012 compared to 185,000 litres in 2011.

Greenhouse Gas Emissions

We monitor direct and indirect greenhouse gas (GHG) emissions on a monthly basis and report them annually to the Carbon Disclosure Project (CDP) both in tonnes of GHG and in intensity, which is the amount of emissions per unit of production.

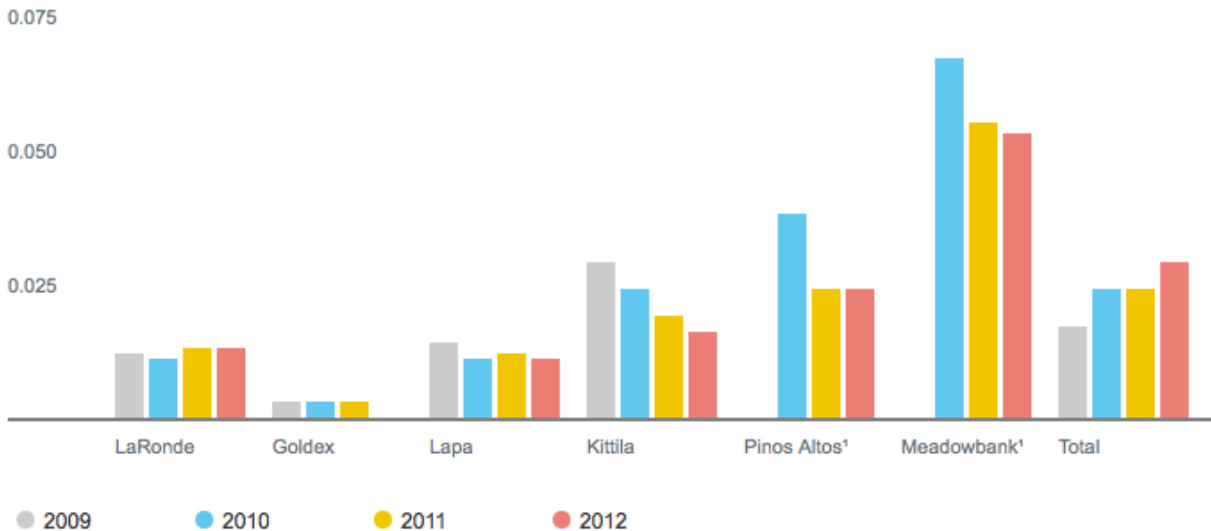
In 2012, Agnico Eagle's total direct GHG emissions were calculated to be 305,862 tonnes of CO₂ from all sources – including fuel used to generate power, fuel for mining vehicles, and natural gas for heating and for explosives used in blasting at

our operating mines. This compares to 281,399 tonnes in 2011 and 236,541 tonnes in 2010. Our total indirect GHG emissions were 58,932 tonnes of CO₂ equivalent in 2012.

Total overall GHG emissions (direct and indirect) were 364,795 tonnes in 2012, a 7% increase from 339,915 tonnes in 2011. The increase in the average is due to the fact that the Goldex mine, which was bringing the average down, was closed in 2012.

In 2012, our average direct GHG emission intensity (the tonnes of CO₂ equivalent per tonne of ore processed) for all of our operating mines was 0.029 tonnes compared to 0.024 tonnes in 2011 and 0.026 tonnes in 2010. The 2012 figures do not form a good base for comparison as Goldex was not in production during the year. On a site per site basis, however, Lapa's GHG emission intensity decreased by 7%, Kittila's decreased by 12%, Pinos Altos's and LaRonde's decreased by 2%, and Meadowbank's decreased by 5%. Meadowbank has the highest intensity values as it has no alternative but to generate all of its own electrical power from diesel fuel. In Finland and Quebec, electrical power comes primarily from hydroelectric sources, which results in significantly lower GHG emissions and therefore lower intensity values.

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.

Note: all numbers have been rounded.

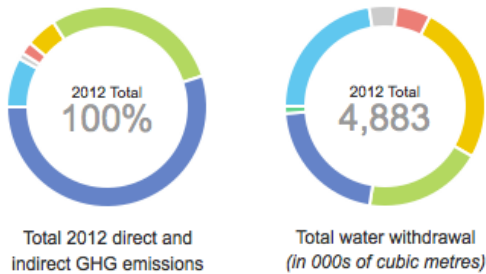


In 2013, with the operating focus at each of our mines on cost control, energy management will play a key role. Energy reduction initiatives are often led by our employees, who regularly identify small incremental steps that can be taken to improve overall energy performance. Since many of our mines are fairly new, energy reduction through equipment renewal will be minimal – instead, any major improvements will likely be a result of employee energy management behaviour.

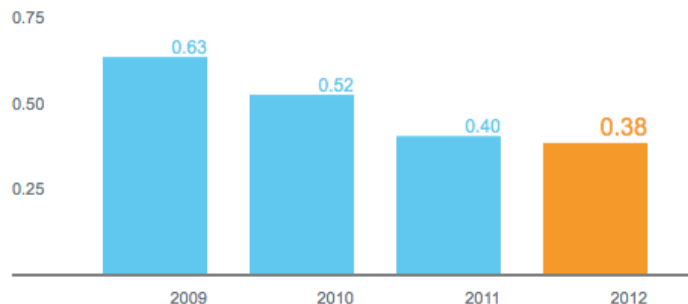
We focus on limiting our environmental impacts by using natural resources efficiently, by preventing or limiting pollution, and by reducing waste. Each of our operations is required to identify, analyze and manage its environmental risks and to work in a transparent manner involved with local stakeholders.

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 2012, the total water consumed by AEM from all sources was 4.9 million cubic metres, down from 5.7 million cubic metres in 2011 and 5.9 million cubic metres in 2010. The 14% decrease was driven largely by improved water balances allowing for better follow-up. Our withdrawal and use of fresh water from all sources was 0.38 cubic metres per tonne of ore milled, down from 0.40 cubic metres per tonne of ore milled in 2011, and 0.52 in 2010, which represents a 6% reduction, reflecting the continuing effort placed on this issue.



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

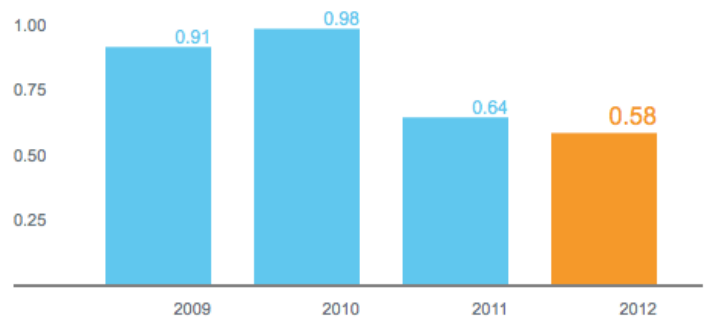


Because each cubic metre of fresh water that is brought into our facilities needs to be managed and treated if needed, it makes good economic sense to maximize water recirculation and minimize the quantity of new water brought in. We also manage all surface water at our sites to divert “clean” or unimpacted precipitation runoff – snowmelt and rain – away from our work areas wherever practical. We collect precipitation runoff from impacted lands, monitor its quality and release or treat it as necessary to ensure protection of the surrounding aquatic environment. At our Pinos Altos mine, domestic waste water is collected on site, treated and then used for dust control along the roads in the open pit mine.

Effluent Discharge

The total volume of effluent discharged from all of our mining operations in 2012 was 7.2 million cubic metres down from 8.9 million cubic metres in 2011, a 20% decrease due in part to the shutdown of Goldex and in part to the completion of dewatering at Meadowbank. The water discharge intensity decreased from 0.64 cubic metres per tonne of ore milled in 2011 to 0.58 cubic metres in 2012, a 9% decrease.

Effluent Discharge Intensity (total effluent discharge in cubic metres per tonne milled)



None of the effluents discharged from our operations has a significant impact on the receiving drainage channels into which they are discharged. The LaRonde, Goldex and Pinos Altos mines discharge into small drainage channels, none of which are considered environmentally sensitive. They are not listed as protected waterbodies and do not contain protected species. The Lapa and Kittila mines discharge into wetland areas, none of which are considered environmentally sensitive nor are they listed as protected wetlands. The Meadowbank mine discharges into a relatively large lake which is not considered environmentally sensitive nor is it listed as a protected waterbody and it does not contain protected species.



All of our operations have stringent regulatory requirements that must be met at the point of effluent discharge. The requirements were established taking into account the capacity of the receiving water to receive these effluents without resulting in harm. Our operations also conduct regular environmental effects monitoring programs in these receiving waterbodies and downstream to check for ecological effects from our effluent discharges. Based on all of these measures, we are confident that our effluent is not significantly affecting these receiving waters.

At all operations, both grey water and domestic sewage are collected and treated at sewage treatment facilities located on site. The sewage treatment processes used at each operation are summarized below:

- Septic field + aerated lagoon (LaRonde)
- Septic field + ultraviolet treatment (Goldex)
- Biological treatment (Lapa, Kittila, Meadowbank)
- Activated sludge + filtration and chlorination (Pinos Altos)

Waste Management and Tailings

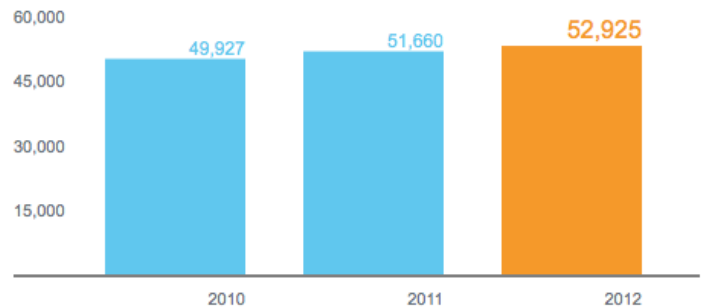
In 2012, AEM's mining operations generated 52.9 million tonnes of waste rock compared to 51.7 million tonnes in 2011. The slight increase (2%) is a balance between the decrease in waste rock production at Kittila (-62%) and Pinos Altos (-14%), as the pits are getting deeper requiring less evacuation to reach the ore, and the large increase in Meadowbank (+40%) due to a backlog in waste rock stripping. A total of 9.6 million tonnes of mill tailings were produced in 2012, compared to 10.9 million tonnes in 2011. This reduction is attributed to the fact that Goldex did not operate in 2012. About 1.1 million tonnes of these tailings were returned underground as backfill in 2012, about the same quantity as in 2011.

Mining by its nature generates large volumes of waste rock and tailings – this is especially true for gold mining where ore grade is expressed in grams per tonne. Tailings are what remain of the ore after the gold and other valuable metals have been extracted. These tailings are typically silt-sized particles mixed with process water. Not all tailings and waste rock are hazardous. The waste rock and tailings at both Goldex and Pinos Altos, for example, have no acid-generating potential and no, or low, metal-leaching potential.



Mill tailings
(in 000s of cubic tonnes)

Volume of Waste Rock Produced
(000s of tonnes)





Incidents and Compliance

In 2012, Agnico Eagle received no notices of infraction at any of our minesites.

However, Meadowbank did record an exceedance of nitrate concentration in its effluent. A review of water and explosives management at the open pit resolved the issue at the source. Meadowbank also exceeded the quantity of fresh water withdrawal specified in its permit. The team has conducted a review of all water usage on site and expects to reduce its fresh water needs in 2013 with improved water management and increased water recycling. The Kittila mine exceeded the quantity of water it is allowed to discharge to the environment, due to an error in the interpretation of the receiving river flow.

Updated closure plans for the LaRonde and Goldex mines were submitted to the Quebec Ministry of Natural Resources and Fauna and closure plans for the Bousquet and Lapa sites were approved.

During 2012, surface levelling, drainage control and grouting work was carried out around the Goldex site and successfully reduced the quantity of surface water infiltration and ground subsidence. A certificate of authorization was received at Goldex for the construction and operation of a paste backfill plant.

A new suspended solids treatment plant (Oberlin filter) began operating at the Lapa mine. At the nearby LaRonde mine, a new high-density sludge acid water treatment system was put into service and achieved good operating performance.

In 2012, Kittila submitted an Environmental Impact Statement to authorities in support of an eventual increase in mill throughput. It also built and began operating a new mine water sedimentation pond to improve suspended solids management.

The Creston Mascota site was audited and obtained certification 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 recognizes excellence in environmental management; Pinos Altos has already received this certification.

At the end of September 2012, the Creston Mascota heap leach was shut down following movement of material on the pad. The event, still under investigation, was reported to the authorities but did not result in any environmental contamination.

In 2012, permits were obtained for construction of a road between the community of Rankin Inlet and our Meliadine project in Nunavut. Road construction was started in April and should be completed in 2013. A Draft Environmental Impact Statement for the Meliadine project was prepared and submitted to the Nunavut Impact Review Board in January 2013.

Spills Reporting

The best way to manage spills is to prevent them from occurring. Spill reporting is the key to prevention. Our employees are encouraged to report all environmental spills and incidents, no matter how small, so they can be properly investigated and mitigation measures can be put in place to minimize damage and prevent any reoccurrence. In 2012, 162 spills were reported, compared to 138 in 2011 and 135 reported spills in 2010. Of these incidents, five occurred outside our mine boundaries, with only one involving a large volume (approximately 500 cubic metres). This larger spill was quickly contained and the contaminated material was completely recovered, with no adverse effect on the surface water.

For spills inside our mine boundaries, 22 were in the “larger than 100 litres” category, out of which 10 were larger than 1,000 litres. This compares to 32 spills in the “larger than 100 litres” category during 2011 with 20 spills larger than 1,000 litres, and to 26 and 11 spills in 2010 in these same categories. We believe these higher overall numbers are more an indication of our improved tracking and reporting capabilities than an actual increase in spill events. With the continued use of Intalex as a reporting tool in 2013, and the accompanying emphasis on reporting incidents to improve performance, we expect the number of reported spills to continue to increase in 2013.



Total number of significant spills



Human Resources

In a highly competitive and global workforce market, we strive to create a corporate culture in which every person is treated with dignity and respect, and people interact on the basis of collaboration, commitment and dedication to excellence.

We aim to maintain a safe and healthy workplace that is based on mutual respect, fairness and integrity.

To achieve this we:

- Ensure that no discriminatory conduct is tolerated in the workplace;
- Provide a fair and nondiscriminatory employee grievance system;
- Value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias;
- Employ and promote employees on the basis of merit;
- Provide fair and competitive compensation;
- Enforce a drug- and alcohol-free workplace;
- Maintain the confidentiality of collected personal and private information about employees;
- Recognize the right of employees to freedom of association;
- Provide appropriate training and development opportunities;
- Consult, communicate and provide appropriate support to employees during their association with AEM.



In a highly competitive and global workforce market, we strive to create a corporate culture in which every person is treated with dignity and respect, and people interact on the basis of collaboration, commitment and dedication to excellence. We believe that this approach will help us attract and retain the best talent to respond to the technical, operational and reputational challenges we face as we grow our gold business and expand our workforce worldwide.

In 2012, Agnico Eagle employed a total of 4,275 people at all of our sites worldwide. That figure increases to 5,723 people if contractors are included, which is up from 5,049 people in 2011 and 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 efficiently and safely and to achieve their full potential. We continued to provide training that enhances employees' personal and career development opportunities. We placed a particular emphasis on health and safety training, to ensure that our employees are achieving Agnico Eagle's workplace health and safety standards. For more information on AEM's training initiatives, [click here](#).

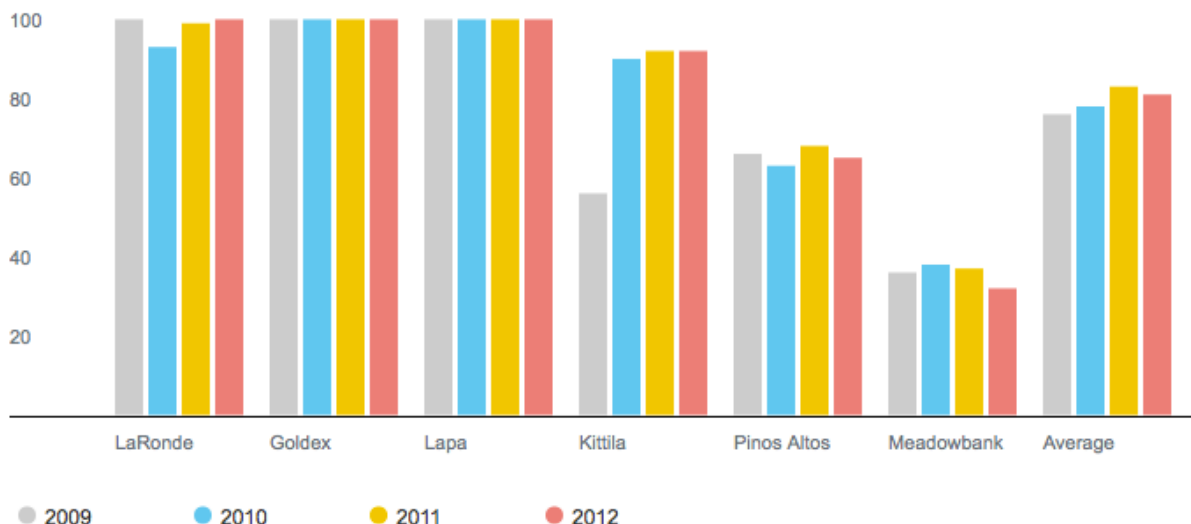
Maximizing Local Employment

At each of AEM's operations worldwide, our goal is to hire 100% of the workforce – including our management teams – directly from the local region in which the operation is located.

In Mexico, we have virtually achieved this goal. Today, more than 99.9% of AEM's Pinos Altos workforce is from Mexico. The majority of people are hired from northern Mexico, with 65% of the workforce coming from the northern states of Chihuahua, Sonora and Sinaloa – 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 is Mexican.

In northern Canada, we are working with various local authorities to develop key training initiatives in support of our goal to eventually hire 100% of our workforce from the local region. We have modified our approach to focus on the creation of sustainable jobs and careers in mining for the Inuit population. We

Workforce Hired from the Local Community (percent)



are working on the establishment of work readiness programs for new recruits and on career path planning for our Inuit workforce. This approach will be the basis for the training component in our ongoing IIBA (Inuit Impact and Benefit Agreement) negotiations for the Meliadine project. We have also made a substantial three-year investment in Mining Matters' Aboriginal Education and Outreach Programs to help demonstrate to young people that there are interesting jobs, careers and a future for them in the north – and that the mining industry can be a key source of those opportunities. To address the shortage of skilled Inuit in the Kivalliq region, we are expanding our training capacity aimed at increasing the number of qualified candidates for apprenticeship programs for skilled workers, as well as offering training to assist with career progression. For more information on training programs at AEM's Nunavut operations, [click here](#).

Currently, approximately 32% of our local mine workforce is drawn from Inuit of the Kivalliq region of Nunavut. These employees come from all seven of the communities in the Kivalliq region – Arviat, Baker Lake, Chesterfield Inlet, Coral Harbour, Rankin Inlet, Repulse Bay and Whale Cove – and they are transported to the minesite at AEM's expense in order to ensure employment opportunities are equally available across the region.



Average hours of training per employee



Economic Value

In 2012, Agnico Eagle celebrated a major milestone in our Company's history – we poured our millionth ounce of gold in a single year. In addition to setting a new annual gold production record of 1,043,811 ounces, we achieved record annual cash flows from operations of \$696 million or \$4.06 per share.

During the year, we announced go-ahead production decisions at both La India and Goldex, which will advance AEM's near-term growth profile. Construction is underway at the La India project in Mexico, which is expected to achieve commercial production in the first half of 2014. During the same timeframe, we expect to achieve commercial production from the M and E satellite zones at Goldex. We will continue transitioning to the higher-grade, deeper part of the LaRonde mine, which requires a slower ramp-up than we originally anticipated. We have received Board approval to proceed with the 750 tonnes per day mill expansion at Kittila to 3,750 tonnes per day, which will add to our production profile in the second half of 2015, while at Meliadine, we expect to receive results from an updated study in 2014. Over the next three years, we expect to grow our gold production by 20% to over 1.2 million ounces of gold.

Our share price continued to increase throughout the year by over 40%, and we finished the year by raising our quarterly dividend by 10%. This is the 31st consecutive year we have paid a dividend to our shareholders.

Generating Employment and Economic Benefits

In 2012, AEM paid \$363 million in global employee compensation, up from \$308.8 million in 2011. Through the payment of wages and benefits, we contributed approximately \$162 million to the economy of the Abitibi region of Quebec, Canada; \$33 million to the economy of Finland; \$91 million to the economy of Nunavut, Canada; and approximately \$31 million to the economy of Chihuahua State in Mexico.

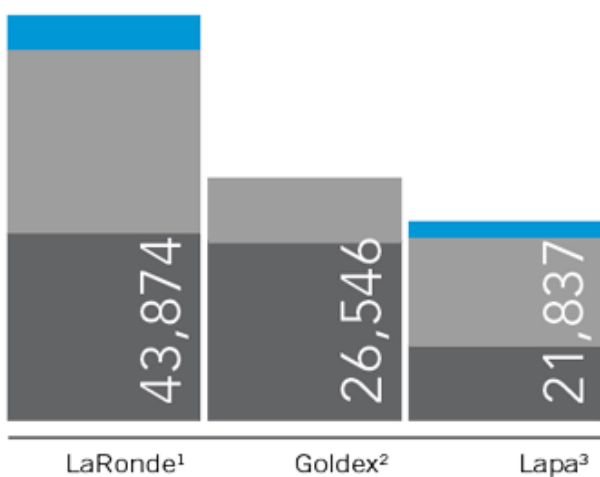


Tax and Royalty Payments

As part of our corporate commitment to sustainable development and corporate governance, in 2012 we increased our level of disclosure on tax payments to governments. We have provided details of AEM's tax payments by type, country and business unit in order to highlight our economic contribution to public finances. Although we do not measure the direct and indirect economic impact of employee-wage spending on local goods and services, it is an important factor in Agnico Eagle's overall contribution to host economies.

In 2012, AEM made various payments in taxes and royalties to governments at all levels totalling \$243 million. We contributed approximately \$87 million in taxes and royalties in Quebec, Canada; \$44 million in taxes and royalties to the economy of Nunavut, Canada; \$42 million in taxes and royalties to the economy of Finland; and approximately \$70 million in taxes and royalties to the economy of Mexico. Tax contributions to governments comprised 13% of our gross revenue in 2012.

Quebec Royalties Paid on a Mine by Mine Basis
(\$000s)



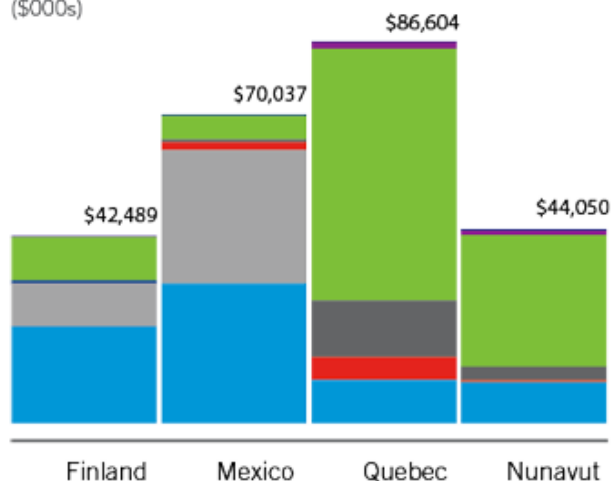
●	2012	5,209
●	2011	38,947
●	2010	48,101

¹In 2012 tax credits deferred from the significant investment made in LaRonde extension project.

²Mining activities at Goldex were suspended in 2012.

³Applied tax from investment in Lapa processing infrastructure in 2012.

2012 Payments to Government
(\$000s)



- Deferred tax
- Current tax
- Government royalties and mining taxes
- Payroll taxes (paid by employer)
- Payroll taxes (paid by employee)
- Municipal taxes
- Rent (mining leases and claims)

Agnico Eagle paid taxes totalling **\$243 million** to all levels of government.



Direct Economic Value Generated and Distributed (thousands of US\$)

Direct economic value generated

a) Revenues	\$	1,917,714
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Economic value distributed

b) Operating costs		
Exploration	\$	109,500
Operations		897,712

Total	\$	1,007,212
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c) Employee wages and benefits

Kittila	\$	33,868
Pinos Altos		30,665
Lapa		25,346
Goldex		19,952
Laronde		94,642
Regional		22,484
Meadowbank		85,008
Meliadine		5,669
Exploration		1,679
Head Office		43,763

Total	\$	363,076
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d) Payments to providers of capital	\$	194,831
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e) Payments to government by country/region

i) Deferred tax	\$	72,673
Finland	\$	21,959
Mexico	\$	31,601
Quebec		9,818
Nunavut		9,294

Total	\$	72,673
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ii) Current tax	\$	39,964
Finland	\$	9,638
Mexico		30,326
Quebec		–
Nunavut		–

Total	\$	39,964
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iii) Government royalties and mining taxes	\$	7,318
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Finland	\$	–
Mexico		1,724
Quebec ¹		
LaRonde		3,334
Lapa		1,875
Nunavut		385

Total	\$	7,318
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1) Total government royalties and mining taxes for Quebec were \$5,209.

In 2012 tax credits deferred from the significant investment made in LaRonde extension project.

Mining activities at Goldex were suspended in 2012.

Applied tax from investment in Lapa processing infrastructure in 2012.



iv) Payroll taxes (paid by employer)	\$	17,207
Finland	\$	721
Mexico		629
Quebec		12,745
Nunavut		3,112
Head office		–
Total	\$	17,207
v) Payroll taxes (paid by employee)	\$	102,201
Finland	\$	9,838
Mexico		5,388
Quebec		57,102
Nunavut		29,872
Head office		–
Total	\$	102,201
vi) Municipal taxes	\$	2,818
Finland	\$	255
Mexico		24
Quebec		1,495
Nunavut		1,044
Total	\$	2,818
vii) Rent (mining leases and claims)	\$	1,000
Finland	\$	77
Mexico		345
Quebec		235
Nunavut		343
Total	\$	1,000
Total payments to government by country/region		
Finland	\$	42,489
Mexico		70,037
Quebec		86,604
Nunavut		44,050
Total	\$	243,181
f) Community investments – voluntary contributions and community investments	\$	4,907
Economic value retained		
g) Retained earnings	\$	7,046

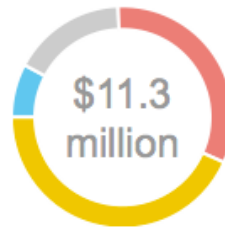


Buying Locally

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 2012, approximately 51% of the purchases at each of our mines were made through local suppliers and contractors.

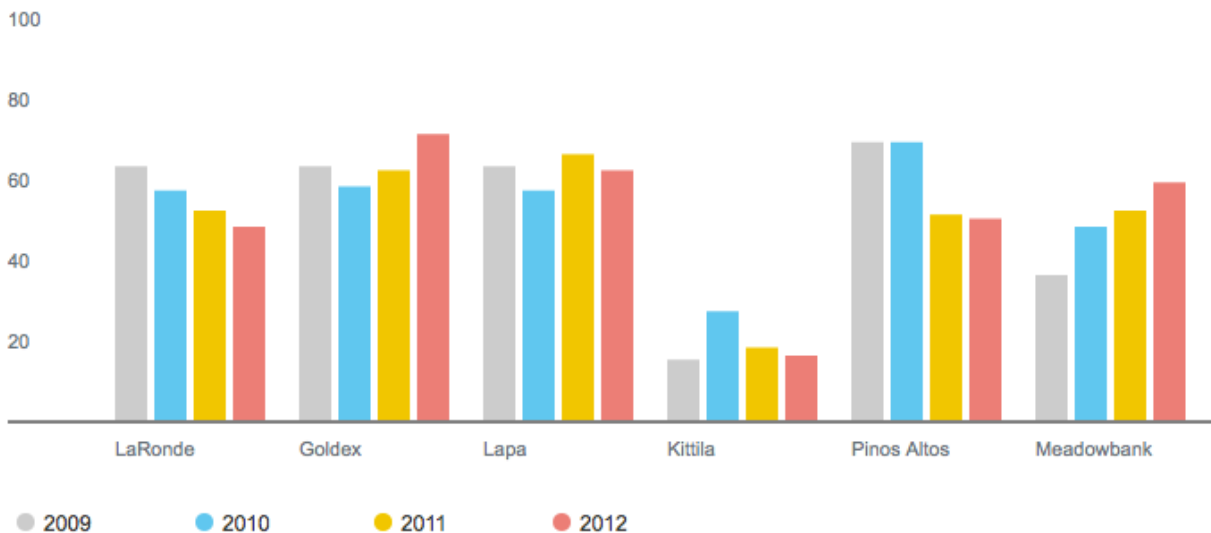
Making a Difference in Our Communities

AEM contributes to the sustainability of our local communities by supporting various health, education and capacity building initiatives. In 2012, we took steps to re-evaluate our community investment program to ensure we are taking a strategic approach to these initiatives. Our goal is to provide both Agnico Eagle and our host communities with the maximum return on those investments. Moving forward, we want ensure our community investment program is more targeted and sustainable over the long term and that each community is able to reap the maximum benefits from economic development in their region, even after mining ceases.



Since 2009, AEM has contributed over \$11.3 million to various

Proportion of Spending on Locally Based Suppliers (percent)





Making a Difference

The fundamental values that drive our mining business are to operate safely, protect the environment and to treat our employees and communities with respect. It is through these pillars of sustainable development that we will continue to make a difference and be a leading contributor to the well-being of the communities in which we operate.

While each of our operations and projects face their own unique challenges, it is our employees who continue to make the difference in their communities, in their workplace and in the mining industry. It is their dedication, enthusiasm and pride that are helping Agnico Eagle live up to our definition of responsible mining – whether they are working to minimize the impact of our activities on the local environment or keeping our community stakeholders fully informed of our activities. It is their hard work, vision and ingenuity that have built Agnico Eagle into a world-class gold mining company.

Responsible mining is also about informing our stakeholders about our activities, their impacts and our financial contributions. In that respect, we also want to make a difference by being open and transparent. The present report partly fulfills this commitment. It is supplemented by numerous presentations to our stakeholders throughout the year.

Making a Difference Towards Responsible Mining

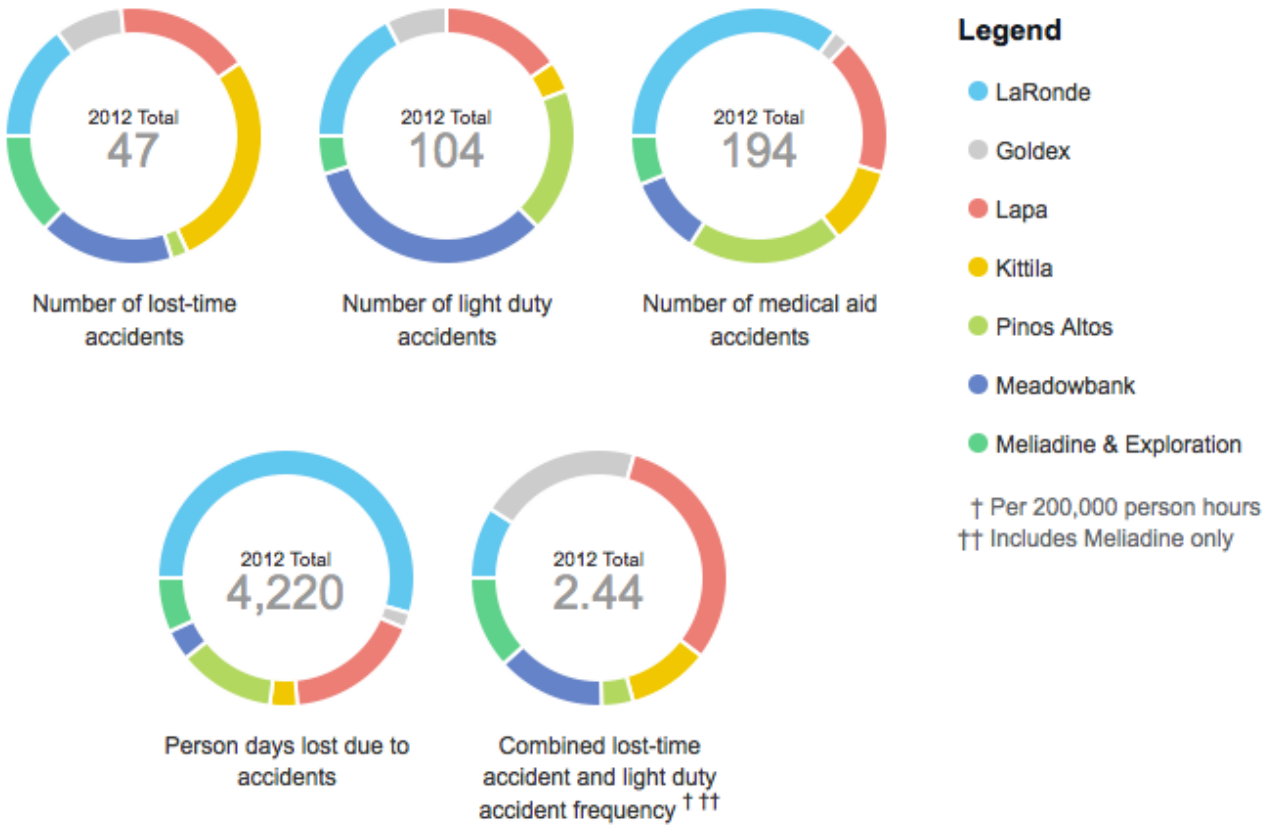
We are working to integrate sustainability into all aspects and stages of our business – from our exploration and acquisition activities to our operating and site closure plans. We believe this integration will make a difference in the way we operate.

In 2012, we began implementing an integrated Health, Safety, Environment and Social Acceptability Management System, or as we call it, our Responsible Mining Management System (RMMS). The RMMS is a more uniform, organized and integrated way of carrying out our activities of responsible mining. It promotes a culture of accountability and leadership that encourages our employees to continuously improve their skills as well as our sustainability performance. The system will be consistent with the ISO 14001 Environmental Management System and the OHSAS 18001 Health and Safety Management System.



Making a Difference in Health and Safety

The health and safety of our employees is of the utmost importance. We are committed to creating a culture of safety and to giving employees the training and support they need to safely carry out their jobs.





On the front lines of mine rescue

Our top safety priority is accident prevention and while we believe all accidents are preventable, we know that in the event of an emergency situation at any of our minesites, it is crucial that we are prepared to respond.

Each of our mines has its own rescue team, made up of employees who have been selected to participate in the necessary training to become a team member. These individuals are the front-line response in dealing with all mine emergencies and become experts at taking charge in case of emergency to ensure the best outcome possible.

Mexico: The mine rescue team at Pinos Altos was established in November 2007 and since then, has received specialized underground rescue and hazmat training, to support the mine's evolving operations. To further hone their skills they have been training for and participating in mine rescue competitions.

Nunavut: Due to the isolated location of the Meadowbank mine, the emergency response team has been trained to deal with all types of emergencies, such as rescues, medical emergencies, fires and environmental spills. Some specialized skills are required for rescue interventions in Arctic conditions, such as rescue in icy waters. With Meadowbank's two-week rotational schedule, the team has twice the number of employees to ensure there are approximately 20 members on site at all times.

Finland: At the Kittila mine, rescue operations began in 2008 and today there are 49 trained rescuers on site belonging to several underground and surface rescue teams. These teams work closely with local and regional fire and rescue authorities.

Abitibi: To become a member of Abitibi's mine rescue team, you must complete three full days of initial training led by certified instructors. The mine rescue team regroups every two months to go over potential emergency scenarios.

Mine rescue competitions: Some members of the emergency response team are selected to join their mine's competitive rescue team to test their skills against other mines. The value of the mine rescue competitions lies in the fact that the teams are pushed to be the best and improve their skills and timely response abilities. Each team is put through a series of potential emergency scenarios, which is extremely beneficial to the mine rescue members; it helps them learn new skills from the other rescue teams which they can bring back and share with the rest of their team.

In May 2012, all three of our Abitibi-based mines, LaRonde, Lapa and Goldex, qualified to compete in the Quebec Annual Provincial Mine Rescue competition, which was held at our Goldex site. Goldex won best technical and theoretical performance, while the Lapa team won best first aid performance. LaRonde won best management team and placed first overall, winning the mine rescue championship. In June 2012, Meadowbank participated in the Northwest Territories and Nunavut Mine Rescue Competition in Yellowknife, finishing second overall and winning the firefighting competition. The Pinos Altos Mine Rescue Team achieved a first place finish in the North Zone Mexican Mines Rescue Competition on November 28, 2012.



Taking charge in health and safety

“There have been a lot of advancements in health and safety within the mining industry since I started with Agnico Eagle in 1988,” says Michel Letourneau, Corporate Director, Health and Safety. “But the biggest change, in my opinion, is the way individual employees have taken charge of their own health and safety as well as their coworkers. Previously, the emphasis was always on production, but in recent years I am proud to say that health and safety has taken precedence, because without our employees there simply is no production. In order to improve our performance – and achieve our core value of producing safely – we involved everyone, starting with the mine managers and moving through the ranks. We opted for the “supervision formula” and its main tool – the work card. Everyone, from the directors to superintendents, supervisors and miners at all of our operating divisions, has been trained to use the supervision formula.”



Meadowbank emergency response team helps fight local fire

In the summer of 2012, BLCS – an important employer and supplier of goods and services in Baker Lake – fell victim to one of the worst fires the community has ever seen. The fire originated in the northern part of BLCS’s garage and since Baker Lake is the nearest town to our Meadowbank mine (100 kilometres), the local fire department asked our Meadowbank emergency response team for help. Four team members – Michel Angers, Frédéric Choinière, Patrick Roy and André Rouleau – flew by helicopter to help fight the fire and provide assistance at the scene. It took 15 firefighters, including the team from Meadowbank, more than 12 hours to put out the flames. The Baker Lake fire department and local population were grateful to the team for their help during the emergency.



What motivates a member of Agnico Eagle Mexico’s mine rescue team?

Every member of an Agnico Eagle mine rescue team undergoes extensive hours of training, testing and competition. They must be away from their families, friends and their official jobs for hours and days on end. While they love to train, compete and win trophies, what motivates them to train extensively and prepare for incidents that, hopefully, will never happen?

Pedro Murillo Baca, an underground mechanic who has worked for Agnico Eagle Mexico since 2007 and is the captain of the Hydraulic Rescue team, says there is no better feeling than making a difference by saving someone’s life in a real-life emergency situation.

“Recently a lady from the community was in a car accident. Unfortunately her arm had to be amputated but she didn’t lose her life. While transporting her to the hospital, I felt the enormous effort she was making to stay alive which motivated me to continue my training. In the condition that she was in, she never gave up and I thought, “If she is so strong and not willing to give up, then I will try twice as hard to keep helping those who need it the most.”

In another emergency, Pedro and his team were on their way back from transporting someone to Chihuahua when they witnessed a car accident. “We were already in the ambulance and ready to help. Knowing that I am ready and able to respond to complete strangers in an emergency situation with my teammates makes the adrenaline rush through my veins.”



Abitibi Supervisors reflect on putting “Safety First” into action

The Quebec Mining Association (AMQ) acknowledged our leadership in health and safety, recognizing 15 AEM supervisors for leading their team in achieving a safer workplace. The supervisors – from our Lapa, Goldex and LaRonde sites – received the AMQ security trophy awards for 50,000 hours, 100,000 hours and 150,000 hours supervised without a lost-time accident. One supervisor, Yvon Delisle of our Goldex division, was recognized for achieving more than 250,000 hours without a compensable accident.

We spoke with three supervisors from our award-winning Quebec mines to learn more about what it takes to achieve a consistently strong safety performance. Michel Bedard is a Mechanical Supervisor at LaRonde and has been with Agnico Eagle for almost 25 years. Michel was recognized by the AMQ for achieving 100,000 hours without a compensable accident in 2012. Stéphane Comeau is an Electrical Supervisor at Lapa and has been with Agnico Eagle since 2002. Daniel Collin is a Mine Supervisor at Goldex and has been with Agnico Eagle since 2003.

Agnico Eagle’s safety performance in 2012 was excellent. From your perspective, what does Agnico do in health and safety that makes the difference?



Michel Bedard (MB): From my perspective, everything we do emphasizes the importance of health and safety. It is a value that is firmly rooted in the Company and in our culture.



Stéphane Comeau (SC): And it’s a value that is deeply rooted in the heart of management as well as employees. It is always front and centre in any communications we receive. Employees notice how much importance the Company attaches to it.



Daniel Collin (DC): I think it is also important that we take every opportunity to promote health and safety through our leadership in prevention program, our ongoing safety meetings and through all the safety development programs we offer.

As a supervisor, what is your role in ensuring the health and safety of your team?

SC: My primary role is to ensure that my employees have all the tools necessary to perform their jobs safely. I also make sure instructions are well understood and their environment is safe.

DC: I emphasize the Company’s health and safety values during my team meetings and presentations, and I ensure my team is aware of all the health and safety principles and standards we follow as an organization.

MB: My role is to ensure that each employee has everything they need to do their job safely, in accordance with our standards and procedures.

What do you think of the supervisory formula approach and its main tool, the work card?

SC: It allows us to take a few moments to reflect on our overall safety and to conduct proper workplace inspections before we begin our day. I also use it during my supervisory visits to instigate planning discussions about work that must be accomplished.

MB: The supervisory formula helps me conduct good follow-ups with my team members and fully engage them in looking after their own safety, as well as everyone around them.

DC: I consider it to be a good approach, but like any health and safety program, in order to be effective it must be properly applied and followed.

What do you think is required for a health and safety program to function properly?

MB: A good health and safety program must be rigorous, it must be immediate and it must be seen as a high priority.

DC: Everyone also needs to understand what is expected of them – at all levels of the organization – so that we are united and working toward the same goals.

SC: It is essential that management believes in it and takes every step necessary to ensure the program is operating properly and producing good results – and the same holds true for employees.



How do you manage the health and safety of a new member to your team?

MB: I meet with them to explain how my department approaches safety, emphasizing that it is the number one priority at AEM. I also make sure they fully understand my expectations and are aware that they have a major role to play in ensuring their own health and safety.

SC: I organize a meeting between them and my team leader, to explain how we function and to what extent health and safety is a priority to me. I make them understand they will never be reprimanded for a job left undone on the grounds of safety, and that I'm always available to talk about safety.

DC: I make sure I know the level of his or her health and safety knowledge. I also make sure they understand and respect all of the rules and standards we follow in our workplace.

What is the most important safety value you want to convey to your team and to others?

DC: I think it is as simple as having fundamental respect for one another.

MB: I want to convey to my team that a piece of equipment is not worth an injury. Health and safety is the most important aspect of their job because I want them to be in good health to enjoy their family life.

SC: Safety is what I value the most from everyone. I promote it every day as part of my job and also at home, with my family.

What is the biggest factor involved when an organization has a poor health and safety record? How can we avoid this at Agnico Eagle?

SC: I think a company with a poor track record in health and safety is a company that is not sufficiently endorsing health and safety or applying corrective measures issued from accident investigations. We must always put health and safety first; and it is imperative that any corrective measures are applied, and complemented by regular follow-ups.

MB: A history of poor health and safety creates a negative work environment. To prevent this, we must work hard to ensure our employees are meticulous about their safety. We have all the necessary tools at our disposal; it is important that each of us uses them.

DC: I think there are a number of factors at play, but we need to promote the importance of health and safety and ensure it remains a top priority, no matter what the cost or how busy we get.



Kittila mine rescue team puts emergency response skills to work with local fire departments

Fighting fires and rescuing people injured in traffic accidents isn't a regular "day at the office" for members of Kittila's mine rescue team. But on any given day, more than 10 of our employees are putting their emergency response skills to the test in real-life emergency situations as members of their local volunteer fire departments.

In these volunteer roles, they must respond to all types of emergency situations – including rescuing lost or injured people, fighting fires, and being first on the scene at traffic accidents. Airline traffic, especially in the wintertime, poses a unique preparedness challenge – as does the local Levi ski resort, where road traffic and the number of tourists increase during the peak winter months.

"We want to make a difference in our community but the benefit really goes both ways. By taking on these volunteer roles, our employees are often managing difficult real-life crisis situations, which sharpens their skills and improves their overall level of preparedness on the job too," says Jani Jauhojärvi, training coordinator of the underground mine and the head of the volunteer fire department of Kittila.

According to Jani, being prepared is one of the most essential elements of any solid health and safety program. At Kittila a new truck driver, for example, receives the standard safety introduction plus 100 hours of guidance from an experienced operator, after which they must pass a proficiency test. Being properly prepared applies to all aspects of mining – from ensuring underground refuge shelters are well designed and equipped to conducting regular maintenance and inspections of machines and vehicles.

"Our own attitude makes a difference in health and safety," says Jani. "Safety is everyone's business. It's not enough to have good up-to-date work and safety procedures, we need to follow them. If a good chain has even one weak link, the result can be a disaster."

The Kittila mine has never had a serious accident, not even during the construction phase. "But we always have things that can be improved, so constantly training and updating our procedures is important for both our rescue team members and our employees. A safe workplace requires teamwork and you cannot put a price on that work," adds Jani.



In the Environment

Restoring the Land; Producing Sustainable Results

Land use and biodiversity: AEM has adopted a responsible approach to land use and biodiversity, first by striving to minimize our surface footprint in order to limit the impact we have on the ecosystems that surround our operations. We have reclamation plans in place for all of our mining operations – with the long-term objective of restoring each site to an environmentally safe and chemically and physically stable condition. None of our operations adjoin or directly impact protected areas or areas of high biodiversity importance. Nevertheless, we follow globally recognized standards and procedures to minimize any potentially adverse impacts.

Our Pinos Altos, Mascota and La India projects are located in the northwest of Mexico in the Sierra Madre mountain range, which contains about two-thirds of the standing timber in Mexico. The region’s heavy rains during the rainy season can cause soil degradation. Our environmental team takes this risk into consideration in all stages of our mining and development activity, to minimize our impact on the surrounding biodiversity.

At Pinos Altos, for example, the mine has implemented a progressive reclamation program years ahead of the anticipated mine closure. A new greenhouse was built with a capacity to produce approximately 130,000 seedlings of native pine species each year. Seedlings are grown in the greenhouse over the winter and then transferred to exterior holding racks for several weeks to allow the seedlings to acclimatize before being planted. Work crews also hydro-seed the planting areas that are ready for reclamation and use wood mulch for fertilizing. In 2012, AEM planted a testing area for the seedlings in order to evaluate the effectiveness of the reclamation process and to determine what areas of the minesite are best suited for the seedlings while protecting local biodiversity.

At our Mascota project the topography is very steep. In preparation for the future reclamation of mining surfaces, we have initiated a pilot revegetation project using “revegetation tubes” to create a terrace effect. These tubes allow planting in very steep terrain and are filled with wood residues that will prevent soil erosion and retain moisture. We have successfully planted pine seedlings and some local flowers.

The environmental team at Pinos Altos has a number of initiatives underway to help conserve and restore the local environment – including forest plantation and soil conservation projects that help capture moisture in the soil.

One key project focuses on building filter dams from scrap wood and rocks, and placing them in drainage channels that are only active during the rainy season. The dams are used as barriers to help control soil erosion and to stabilize soil at the bottom of the channels and avoid sedimentation flowing into nearby rivers. This conservation method also encourages plant development and improves overall water capture.

Another successful method is to build contour lines – in the case of Pinos Altos the lines are made from vegetable waste – in a straight line on the soil’s surface and perpendicular to the slope. The contour lines help retain the soil and capture rainwater which is then absorbed into the subsoil. The reduced erosion also reduces the quantity of sediments that find their way into the water courses. The environmental team is also using a staggered planting method which is considered an important advance in environmental restoration and forest plantation. To obtain optimal results, the pines are planted after the first rain of the season.



Ernesto Armendariz, Protecting scarce water and land resources

For Ernesto Armendariz, an ecological engineer at Pinos Altos, making a difference is about never giving up – especially on a land restoration project that can produce real and positive results for both the environment and for Agnico Eagle.

“I was always passionate about natural science and the cycle of nature, so I studied vegetal taxonomy and worked on land restoration initiatives before joining Agnico Eagle. Undoubtedly, in one form or another, mining impacts the environment. It cannot be avoided. Our role, as stewards of the environment, is to mitigate any damage and help restore the land and surrounding environment,” remembers Ernesto.

“When I first started working here, we were using a conventional and well-known restoration technique but unfortunately we weren’t getting the expected results. The Company challenged me to develop a technique that would work better here and be more efficient.”

“To help mitigate soil erosion, we tried new techniques and eventually redesigned an old one – using a special mesh that apple and other fruit tree orchards employ – which ended up being much easier to implement, is more efficient and provided substantial savings. Not only that, our trees had a survival rate of 95% compared to the standard of 70% expected for this method.

“This year we implemented it for the first time in Mascota. We placed about 700 covers – or what we call Environmental Impact Stabilizers –over 7,000 square metres of land. I am very proud that that the project was a great success. Trees began growing naturally in the area, without being planted by our team, and proving to us that true reclamation is possible.

“What I like about working for Agnico Eagle is that we’re always looking for better alternatives – I think we are pioneers in that respect. Also, it isn’t enough to do what is required by law or local regulations; we want to see actual results. And to me, this is the definition of sustainability,” adds Ernesto.



Petri Peltonen, Environmental Specialist, Kittila

Petri Peltonen is an environmental assistant at the Kittila mine. He joined Riddarhyttan Resources in 2004 as a geological technician, when there were only six people working at the Kittila project. Two years later, AEM acquired the project and Petri was offered an opportunity to work in the Environmental department. Petri describes his job: “My main tasks are environmental monitoring and sampling and waste management planning. I also do gold refining, and I am the primary contact person for the neighbours of the mine, local reindeer herders and fishermen. We hold community information sessions twice a year. We tell them what is going on at the mine, and they have an opportunity to raise concerns and ask questions. It’s an important forum for communication. We also have a tradition of fish stocking at the nearby Seurujoki and Loukinen rivers every June. We stock brown trout together with a group of local residents. My work is diverse and challenging. Every day is different. I worked in tourism before I came to work here. The tourism business in northern Finland is seasonal. Now I know that I have year-round work and that is great. It brings a certain routine and security to life.”



Taking a good look at energy in the Canadian Arctic

As a remote Arctic minesite, Meadowbank must generate its own power, which is a substantial operating cost for the business. That's why the energy team on site at the power plant is constantly searching for new ways to optimize its heating systems and reduce its energy costs.

Meadowbank recently installed a glycol boiler and heat recovery system at the power plant, with a long-term goal of saving 1.5 megawatts (MW) of electricity per year. In 2013, the project – known as the power plant heat recovery system optimization project – is anticipated to save between 300,000 kilowatts (KW) and 500,000 KW of electricity, which could generate between \$500,000 and \$850,000 in annual savings.

The system is a closed loop heat recovery system that uses glycol instead of water in order to prevent freezing damage of equipment that is exposed to sub-freezing ambient temperatures. The boiler component was installed at Meadowbank in the summer of 2012 and commissioned during the fall. While the power plant team has yet to operate the boiler to generate heat, the glycol heat recovery system is now up and running.

According to Stephane Robert, Manager of Regulatory Affairs, “In this first year of operation, we're already recovering the equivalent of 6 MW of heat from the diesel generators at the power plant and distributing it throughout our heating system. Our goal is to further optimize both the heat recovery and distribution systems in order to drive down our energy costs even further.”



Water filtration at Lapa

The Oberlin filter was installed and successfully commissioned at Lapa in 2012. However, we have experienced some problems with the filtration of the finer particles. The particle size distribution shows that 90% of the particles are less than 20 microns in diameter (2 to 10 times smaller than the diameter of a strand of hair). These very fine particles are difficult to filter and we may need to use chemical treatment upstream of the Oberlin filter to increase the size of the particles to be filtrated (coagulation and flocculation). A pilot test will be performed to select the proper product.



Responsible Cyanide Management

Cyanide is essential to the extraction of gold from ore and it currently cannot be replaced by another chemical. Since it is considered a dangerous substance, it is our responsibility to ensure that it is managed with the highest level of care. This is why we have decided in 2011 to become signatory to the International Cyanide Management Code (ICMC). By becoming a signatory, AEM has committed to comply with the code in three of our four operations that use cyanide (Kittila, Meadowbank and Pinos Altos). This compliance will be demonstrated by an external audit that should take place within three years after becoming a signatory and every three years thereafter. The overall objective of the code is to improve the management of cyanide and to assist in the protection of human health and the reduction of environmental impacts. The only operation using cyanide which will not be included in the strict application of the code will be LaRonde. The LaRonde tailings storage facility has been designed and constructed to use natural cyanide degradation. Even though wildlife-deterrent measures are in place, they would likely not satisfy the requirements of the code for protection of wildlife. LaRonde has a cyanide destruction treatment plant at its tailings storage facility which treats water before it is reused at the mill or discharged to the environment.

Kittila was the first of our minesites to begin the Cyanide Code audit process. Each and every phase of the operating sequence at the site – from the preparation of cyanide to its final use – has been reviewed to see if it meets the code requirements. Our Pinos Altos site began the process in April 2012 and the first gap analysis was conducted in November 2012. The transportation route to the Pinos Altos site received its Cyanide Management Code certification in 2012. In 2013, the operation will work at resolving the identified gaps before the formal external audit in 2013 in preparation for the final certification process.

The Pinos Altos and Mascota operations use approximately 836 tonnes of cyanide annually to extract gold from ore during the leaching process. The mine completed its internal auditing phase in January 2013 and was supported by external auditors certified by ICMI (International Cyanide Management Institute). These audits helped address any gaps in our current procedures, verifying that every step in our process is traceable and properly documented and ensuring that safety and environmental criteria are followed in the preparation, transportation, storage and use of cyanide. All phases in the cyanidation process – including external party transport – must be certified to ensure that the cyanide is responsibly managed from start to finish. Pinos Altos anticipates that the complete certification audit of the mine will be performed in June 2014.



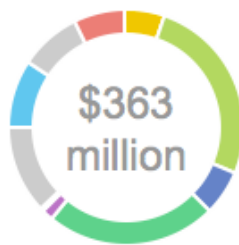
In Our Communities

We aim to contribute to the social and economic development of sustainable communities associated with our operations. We will accomplish this by honouring our commitments; being a partner in the well-being of the communities where we operate; and by helping to build local capacity and skills and creating long-term employment opportunities.

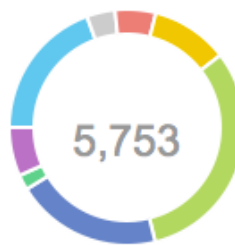
Agnico Eagle’s goal is to ensure that our work with local communities provides lasting and sustainable benefits. We accomplish this by investing in our communities through sponsorships and donations, community partnerships, formal participation agreements and economic monitoring committees. We strive to build community capacity and to contribute to a better future for people living in the area.

Our operations contribute to the social and economic development of our host communities and countries through taxes paid directly to governments, as well as through:

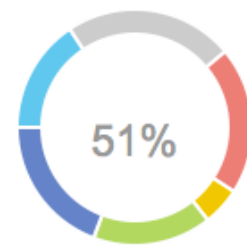
- Wages and salaries paid to employees and contractors
- Job creation through our various operations and projects
- Payments to suppliers for goods and services
- Indirect job creation and small business development in surrounding communities and towns
- Upgrading of local infrastructure



Employee wages and benefits



Total workforce by region



Proportion of spending on locally based suppliers



On the front lines of Sustainable Development

For The people who live in communities that surround our minesites in Mexico have likely never heard the phrase Sustainable Development. Instead, they face the everyday reality of not having a stove heater to keep them warm and fed, few doctors and medical care to help look after their family’s health, or a lack of educational opportunities to give their children a better life in the future.

According to Gustavo Gianini, Agnico Eagle Mexico/Creston Mascota Community Relations Supervisor, “We focus on providing support at a very grassroots level, working to lift our local communities out of sometimes quite critical social and economic circumstances.” In 2013, the community relations team worked hard to make a difference at the most basic level of society:

- Agnico Eagle Mexico built, paid for, delivered and in some cases installed 80 stoves/water heaters to community members who needed them – because of their age, physical disabilities or economic situation – during a period when the weather turned very cold. Agnico Eagle also distributed food to ensure everyone who received a stove was properly fed.

- Each month, the team distributes food to schools in Yepachi for their lunch programs. They did this after learning that some children did not attend school because they had no food. Now 700 to 800 students attend school at the secondary and primary levels.
- Agnico Eagle Mexico has also helped build classrooms, donated school supplies and helped purchase homes to ensure teachers have a place to live – as well as building and providing a fully furnished room to people who have very low incomes.
- In Piedras Azules, Agnico Eagle is building a medical clinic, which is about 70% completed. Agnico Eagle has also donated medical drugs to the clinic and, with our support, a doctor visits the neighbouring communities regularly to provide health care. Agnico Eagle Mexico also held its eighth Dental Health Campaign in October, where 125 people were treated, and its first “Eye Care Campaign” held in November, in which 397 were lenses donated.

“We focus on addressing critical needs that face many people rather than on one individual’s needs – so that typically means helping to improve local health, food and educational conditions,” says Gustavo. “We ask the communities to tell us what their priorities are because each community faces different challenges.” Agnico Eagle Mexico has set up an office in Yepachi to ensure we maintain contact with the eight neighbouring settlements.



School scholarships make a big difference in turning lives around

Agnico Mexico's scholarship program is making a big difference in the lives of young people from Yepachi and the surrounding communities.

According to Gustavo Gianini, Agnico Eagle Mexico/Creston Mascota Community Relations Supervisor, Agnico Eagle currently has granted 39 scholarships to locals and students from outside communities. "We already have students in college bachelor programs and we expect at least two of them – two women, in fact – to graduate next year, which would be a first for the community," he says. "Our only requirements in granting a scholarship are that the students maintain a good average school mark combined with their personal economic situation because you can't learn much on an empty stomach."

While Agnico Eagle Mexico provides the scholarship, the schools, community and teachers choose the students. The scholarships cover many activities such as sports and health and whatever else is needed for the students to get good academic results and help them focus exclusively on their studies. Each family also receives food aid.

The scholarship students receive a monthly cheque from Agnico Eagle Mexico, although they must provide their marks to ensure they are keeping up their grades. If their grades drop, the cheque is withheld until they improve, ensuring each student is working hard to earn the scholarship support the Company provides.

"We started this program ourselves, realizing the need existed in the community before the community did," says Gustavo. "What we are trying to drive home to these students is, 'You must take advantage of this opportunity while the mine is here, and improve your way of life through education.' We want to help the community to help itself. We want to help provide a sustainable way of life, for everyone's future."



Changing student and teacher perceptions about mining, from the ground up

Convincing young people that there are interesting jobs, careers and a future for them in the north – and that the mining industry can be a key source of those opportunities – is a challenge Agnico Eagle is taking on with the help of an educational program called Mining Matters.

Mining Matters informs students and teachers about rocks, minerals, metals and mining, and offers exceptional educational resources that meet provincial and territorial Earth Sciences and Geography curriculum expectations. The program also helps broaden awareness about the role mining plays in our daily lives and in local communities.

Agnico Eagle has made a substantial three-year investment in Mining Matters' Aboriginal Education and Outreach Programs in Nunavut's Kivalliq region. In 2012, the first year of our three-year commitment, the Mining Matters team delivered eight programs to almost 200 students, educators, community members and other stakeholders.

The sessions were held across the Kivalliq region in Arviat, Baker Lake, Iqaluit and Rankin Inlet, and included workshops, public outreach events, camps, field visits, and working groups.

In addition to exposing people to mining, and hopefully changing perceptions about the industry, a tour of the Meadowbank mine provided teachers and students with hands-on exposure to the diverse employment opportunities within the mining industry.



Agnico Eagle contributes to local efforts to diversify and grow the economy

Agnico Eagle believes it is important to create local economic opportunities and to improve the quality of life in our operating communities. We also recognize that these opportunities and challenges are often as varied as the individual communities themselves. That's why we work closely with stakeholders in each region to identify and capitalize on initiatives that can stimulate economic growth and employment – whether developing entirely new businesses or adding value to existing sectors, strengthening capacity, or improving local infrastructure to help communities achieve their full economic potential.

In Mexico: Agnico Eagle Mexico's goal is to share the economic benefits of mining with our neighbouring communities. We encourage and often invest in economic development projects that help diversify the local economy and provide alternative sources of income to the typical timber, agriculture and mining trades in the region.

Making a difference to small businesses: In the small town of Cahuisori, Agnico Eagle has helped establish a small jewelry workshop, which is ready to start selling its products to customers. The idea came from a teacher who was staying at the mining camp and who taught a local group of women how to make jewelry from recycled material.

"There are six of us who design the jewelry and we are showing our work in some of the local shops and on site at Pinos Altos. The reaction we've gotten has been very encouraging and we're starting to think big. We're excited to start selling our jewelry to customers and exhibiting in the local marketplace," said Adriana Bustillos.

Not too far away in the community of El Perico, Agnico Eagle Mexico is also supporting the start-up of a sewing cooperative. The Company has provided the fabric needed for the co-op to make its first clothing samples and sponsored technical training for the 11 employees who are attending the Training Institute for Chihuahua State Labor.

According to Marta Montea Ponce, the manager of the sewing co-op, "With Agnico's support, we've come a long way. When we first started, we didn't even know how to hold the sewing machines. We are now supplying Agnico with overalls and we have been asked to make uniforms for the local elementary school. Through our sewing classes, we also do clothing alterations, we manufacture curtains and we make tablecloths, pillowcases and sheets. Now we are ready to take on more work – the more work the better!"

The next challenge for the cooperative is to start mass producing clothing and selling it to customers in a newly built shop in El Perico, which will provide a permanent and alternate source of employment to mining in the area.

Inspired by our success in Mexico, Agnico Eagle Nunavut decided to look at the same opportunities in northern Canada. They opened a contract to tender for all of their commercial sewing requirements. Kiluk Sewing Centre in Arviat (Kivalliq region) was recently awarded the contract.

In Nunavut: Agnico Eagle's deal with the Kiluk Sewing Centre in Arviat (Kivalliq region) includes sewing repairs to work wear, embroidering employee names on uniforms, and producing new promotional products with Agnico Eagle's logo, such as sealskin vests, mitts and computer bags.

Kiluk currently employs four seamstresses from Arviat, and as production expands for AEM orders, the company anticipates hiring and training more local residents from Arviat. Kiluk General Manager Sherlyn Kadjuk says, "Meadowbank has about 500 employees, so the amount of work we receive should be significant." Kiluk also plans to invest in new embroidery equipment to meet the growing business demand.

No matter where we operate, Agnico Eagle is committed to supporting local communities and ensuring businesses benefit from our activities. We need these products and services and Kiluk has the right people, equipment and products to supply us. This is a win-win situation for Agnico Eagle, Kiluk and the community of Arviat.



Making a difference to small businesses

Captain Jorge David Coughanour is an airplane pilot living in Chihuahua, Mexico. He operates a small aviation business called Aerotepeyac SA de CV and when he started working with Agnico Eagle Mexico in 2007, he had one small Cessna plane (a C-180).

That's when Agnico Eagle management approached him to see if he could fulfill their flight service requirements, with a larger plane to transport more people in and out of the Pinos Altos mining camp.

Jorge was unable to finance the expansion of his business, so Agnico Eagle stepped in and advanced Aerotepeyac the money required to purchase a larger plane. Jorge purchased a Cessna TU206G and expanded his business to service Pinos Altos – his company is now contracted to provide all plane flight services in and out of Pinos Altos.

Today, Aerotepeyac Aviation has a fleet of four planes and Agnico Eagle represents almost 75% of Jorge's business. He has also expanded his business to service other clients. According to Jorge, "None of this would have been possible without the support and advance financing I received from Agnico. Agnico Eagle has made a difference to the success of this business."



Making a difference to regional businesses in the north

At Meadowbank, we initiated the Inuit Business Opportunities Initiative (IBOI) in 2010. The IBOI involves working with our community and government partners to help regional businesses develop and grow so that they can take advantage of the new business opportunities created by the Meadowbank operations.

Under the IBOI, we developed a workshop which was then delivered across the region outlining the types of goods and services that would be needed at the mine. This enabled existing Inuit businesses to determine the contracts they might wish to pursue. We also created a registry in which existing Inuit businesses in the Kivalliq region could let us know the types of materials or services they were willing to provide to Meadowbank in a competitive manner. The registry allowed us to notify these businesses ahead of any request for proposal going out to the market.

Under the Meadowbank Inuit Impact Benefits Agreement (IIBA), we committed to giving Inuit firms preference for material supply and service contracts under a predetermined points award system. This system could make up to a 15% adjustment if the bid meets all of the Inuit content requirements. This process was explained to the business community during the workshops.



Peter Tapatai, Northern Entrepreneur

Peter Tapati, a Baker Lake entrepreneur who provides expediting and transportation services to Agnico Eagle, spoke recently at the Prospectors and Developers Association of Canada's annual convention. The following is an excerpt of highlights from his comments:

"It is hard to guess what the real unemployment rate in Baker Lake was before the mine started and was operating. I would guess it would have been around 40%. Today we are below 5% and anyone who wants to find work can find work. We have seen a big economic improvement in our community.

"As an Inuk businessman, the biggest support to grow our business has come from the private sector, in particular, the resource industry. That is one of the big reasons I can stand in front of you today, and tell you my story.

"Companies now understand that first and foremost, Inuit need to know about and understand the project in their community and that when a project happens on Inuit land, Inuit are the ones that can make these projects happen by supporting and participating in them. And Inuit are the ones that can benefit by learning new skills and establishing new business to service these projects. These hearings can take a year or more and Meadowbank received overwhelming support from everyone in Baker Lake. I believe the reason for this was because they regularly informed the community and kept the community engaged in the project.

"We know now that it is important to start training programs before a big mining project begins, so that Inuit are ready to participate in the new economy. Not only on the job training but also what it means to have a job – that you have to show up when you are scheduled, and that you have new responsibilities. Training is the key to making sure your community does not get left behind.

"It is clear that the standard of living in our community is improving. It used to be that women were the ones that used to do the odd jobs but suddenly the man was working and this is a fine example for their children: there was a sudden sense of pride by the whole family. Once the mine construction was completed, a new phase started: ongoing mine operations. There is a total of 150 Inuit that are working in new mining jobs. People had opportunities and they had hope for a better life.

"In 2012, Agnico Eagle spent \$115 million on its mine in Baker Lake. Local suppliers have been providing more than 30% of that and Nunavut business almost 70%. That had a huge impact on our community and on all of Nunavut. This is new money in the community that was never there before. Our people and our businesses are seeing the economic benefits of such a project.

"I could not have built my business without support and work from resource development companies like Agnico Eagle, Cumberland and others. Likewise, I have done my part to help those companies advance their projects in a responsible way. I worked with them and with our community to support the projects and to explain to our elders and our youths. The resource sector has allowed us to build a strong economy, and has allowed us to give our children hope, and a vision for our future."



Building a balanced life in a dynamic community

Most people think about improving their work-life balance, and the people of northern Finland are no exception.

Our Kittila mine in Lapland, Finland, supports a growing number of cultural, recreational, leisure and sporting pursuits that help improve the overall health and well-being of our employees, their families and our community neighbours. These activities are also helping to attract and retain new residents, as well as current and potential new employees, to the region.

Kittila provides opportunities for its employees to take regular exercise and enjoy such activities as ballgames, swimming and downhill skiing. The mine also supports an annual recreational program, offering two to four recreational events each month for employees and their families. Within the community, Kittila provides financial, in-kind, sponsorship, advertising, promotional and other contributions to local sports clubs, a local charity organization known as Kittilan ihmiset ry and various student organizations, as well as to cultural events in the region.

According to Kimmo Hannukainen, Superintendent of Human Resources at the Kittila mine, Kittila's long-term goal is to ensure its employees – many of whom come from other locations – feel welcome and committed to their new home. "We want to help build an attractive and dynamic community so that our employees enjoy their lives and want to raise their families here."



With Our Employees

Our goal is to attract and retain the best talent as we grow our gold business and expand our workforce worldwide. We strive to create a corporate culture that is based on mutual respect, fairness and integrity, and a workplace that is dedicated to excellence.

For many of our employees, Agnico Eagle is not only providing entry-level jobs, apprenticeships and scholarships, but also the chance to start a new career, participate in the global or local economy and, perhaps most importantly, the opportunity to make a difference in their own family's future.

We take our responsibilities seriously and we strive to encourage and empower all Agnico Eagle employees to achieve their full potential. They have responded with strong loyalty and performance:

- Agnico Eagle currently employs almost 6,000 people worldwide, including contractors; this is an 11.7% increase over 2011 employment levels.
- 81% of our employees work at an operation in their regional area.
- turnover across the Company in 2012 was 9%, an increase over 2011 turnover levels of 8%.
- in 2012, we achieved one of our best safety performances ever, with a combined LTA frequency of 2.44 – substantially below our target rate of 3.3.

Wherever and however our Company grows, we will continue to provide exciting learning and career development opportunities for our team. Together, we will continue to make a difference in the prosperity of our employees and the communities in which we operate.



Employee training and development

Jose Francisco Peña began working at Creston Mascota two years ago as a general helper and is now a loader operator in the breaking-stone machinery/hopper area. Prior to joining the team, he worked on a farm and often would bring water to the Mascota site during the construction phase of the camp.

“I wanted to work for Agnico Eagle so that I could succeed and provide a better life for my family. Working here has made a big difference in my life. I really enjoy learning new things and working with heavy machinery. We constantly receive training so I feel there are many opportunities and a future for me at Mascota,” says Jose. He also appreciates the stability his job provides for his family and for many families in the Yepachi area. About 60% of the people from the community work at Mascota.

“People here didn’t know anything about mining and never imagined they would work at a mine. But it is helpful to constantly be learning new things so we can improve our lives. Agnico Eagle has contributed a lot to the people and community of Yepachi.”



Trevor Attungala becomes first Inuit supervisor at Meadowbank

Trevor Attungala, 31, was hired at Meadowbank in 2009 as a heavy equipment operator. Today, as a Field Supervisor for the Site Services department, Trevor can say that he has truly reached his goal of finding meaningful employment.

Trevor graduated from the CARS (Community Aerodrome Radio Station) training program in 2003, joined the Agnico Eagle team in May 2009, and was promoted to a Leader position in the Site Services department in April 2011. His determination, leadership and other work skills led him to become Agnico Eagle’s first Nunavummiut employee to be promoted to the role of Field Supervisor in June 2011. Trevor is now supervising the heavy equipment operators crew working for the Site Services department, the loading and unloading of daily passenger and cargo flights landing directly on the minesite, and overall site maintenance. He supervises a team of over 15 employees.

“Trevor started as a labourer, became a leader and he is now a supervisor. He is really dedicated and employees love working with him. He does a really good job here at Meadowbank. Trevor leads by example and makes sure his employees always put safety first and respect the safety rules,” said Audree Belisle, HR coordinator at Meadowbank.



Deep mining roots – one family, three generations of mining

When Adrian Marquez joined Agnico Eagle’s Pinos Altos mine in 2008, he was carrying on a family tradition started by his father. Adrian remembers as an eight-year-old helping his father report his daily work in the mine logbook, writing, for example, “I scuttled a ramp” or “I loaded a recess.”

Adrian joined Pinos Altos as a driller just as exploration and production work was getting underway at the site. It wasn’t long before he was promoted to Mine Supervisor and then to Mine Captain.

“I am proud to work in the mining industry and for Agnico Eagle,” says Adrian. “Agnico Eagle’s commitment to safety is very important to me and my family. I know it’s a safe mine and I feel confident bringing my family to the minesite.” In fact, Adrian’s daughter, who is studying to become a nurse, has visited the site over the last three years as part of her medical training.



Employee volunteer programs build trust, loyalty and pride

Agnico Eagle Mexico's employee volunteer program began as a way to involve employees in our corporate philanthropy program. It has since evolved into a tool that encourages employees to go beyond just sponsoring a project to helping build and develop it, and in the process becoming active promoters of social responsibility.

Lic Julio Cesar Chaparro, Public Relations Assistant at the Pinos Altos mine, says the program provides extensive benefits to both employees and the Company. According to Julio, it makes AEM more competitive, more humane and enables it to make a greater contribution to society. "It helps us build closer ties to society and to our local communities. It helps improve the work environment and promote team work, it enhances the skills and abilities of our employees, and it helps to promote loyalty, motivation and pride in our organization. It also allows us to build a bridge of trust between our Company, our employees and the community."



Giving back to the communities where we live, work and play

Agnico Eagle's founder, Paul Penna, strongly believed in giving back to the communities where employees live, work and play. His legacy lives on and remains the foundation of our Company's culture, values and business success.

Every year we pay tribute to Paul by recognizing the extraordinary contributions an Agnico Eagle employee – or group of employees – makes to their local community. In 2012, the winners of the Paul Penna award were Peter Tiktaalaaq from Meadowbank and Sinikka Välikangas from Kittila.

As a member of the Rangers since 1999, a unique paramilitary force consisting of part-time reservists, Peter has had the opportunity to work with the Canadian Forces and to participate in search parties throughout Nunavut. He receives phone calls 24/7 to coordinate search teams. With one of the lowest population densities in the world, and some of the most difficult climatic and physical conditions in which to patrol, it has always been a challenge for the Canadian Forces to maintain a traditional military presence in the north. This is why the assistance of the Rangers in Canada's Arctic regions contributes greatly to the safety of hunters. Peter also uses his knowledge and experience as a Ranger to go out on the land and teach survival skills to young hunters. He is also a member of the Search and Rescue Volunteers, a registered non-profit and educational organization that helps coordinate and implement search, rescue and emergency response with the underlying principle of saving lives.

In addition to contributing to the safety of Arctic communities' residents, Peter helps the people of his own community through his involvement with the Hunting and Trapping Association of the Kivalliq region. He goes out hunting and, if necessary, he donates his catches in order to feed those in need.

Sinikka Välikangas's works at the Kittila mine as a laboratory technician. But her volunteer work with the Red Cross and Life Rescue teams has been close to her heart for a very long time.

Sinikka has volunteered with the Finnish Red Cross for the past eight years and with the Voluntary Life Rescue Services for the past seven years. She volunteers four to five days of her time per month to these organizations, and even more during her holidays. Sinikka provides various on-call duties for both organizations in the Kittila community. She is also a member of the "at large" team of the Red Cross that ensures public health and safety at major events. In addition, Sinikka provides Life Rescue training and leads voluntary Life Rescue projects mainly within the Kittila area.



AEM helped fund training program that benefits northern Canada's growing mining industry

The recent graduation of 10 students from a diamond drilling training program in Arviat, in the Kivalliq region of Nunavut, Canada, is one more step in creating growth, jobs and long-term prosperity in northern Canada.

This is the third class to graduate from the demanding eight-week course, which includes both classroom and practical work on Arviat's diamond drilling rig. Agnico Eagle's program partners are the Hamlet of Arviat, Northern College of Ontario, the Department of Economic Development and Transportation, Nunavut Arctic College, Kivalliq Partners in Development, Northern College of Applied Arts Haileybury School of Mines, Orbit-Garant Drilling, and Boart-Longyear Drilling.

"Word is getting around and demand is high for this course," said Keith Collier, Arviat's economic development officer, adding that there are plans to offer the course again in 2013–2014.

"Arviat continues to work to ensure our community benefits as much as possible from the mining activity in the Kivalliq region and across Nunavut," said Arviat mayor Bob Leonard. "Without proper training and a focus on education, it's not possible to take advantage of all the opportunities that mining is bringing to the territory and our community."

Out of the 21 graduates of the previous two courses, 19 have found at least part-time or temporary employment in the mining industry, while several graduates of the recent course have already been offered job interviews.

Agnico Eagle, which outsources all its drilling work, has maintained more than a 35% Inuit labour force at Meadowbank and Meliadine, and is eager to employ more local people in more skilled positions. To that end, AEM has in place an upward mobility program at Meadowbank, and is also working with the Department of Education to promote the industry trades. (Click here for Arviat driller employee testimonial.).



Arviat driller's program

Rankin Inlet resident George Ipkanerk took what he thought was a long shot at getting a job a few months ago, when he enrolled in the Arviat Diamond Driller's Training Program. The 53-year-old graduated in the second class of the program last April, and by June, he had landed a job with Orbit Garant Drilling Inc. He now works at Agnico Eagle's Meliadine gold project.

"I didn't think I was going to get a job but everybody was fairly sure I would," he said of the support he received during the 10-week driller's helper course. "That kind of boosted my hopes up and when I did get a job, it was totally awesome."

Ipkanerk was one of 21 graduates of 24 students who enrolled in the first year of the program, which started in the hamlet last September. Nineteen of the 21 graduates were offered at least some sort of employment, according to Arviat economic development officer Keith Collier.

Twelve more students from the Kivalliq region are slated to take the course this September, as the program's success has prompted all its sponsors -- including Agnico Eagle -- to enthusiastically stay on board.

"There's just such a demand for diamond drillers and diamond drillers' helpers that we need to find a way to promote local employment opportunities," said Graeme Dargo, superintendent of community engagement at Agnico Eagle. "There are hundreds of opportunities particularly in the Kivalliq region of Nunavut and not just with Agnico Eagle, but with other exploration companies too. There's still a demand for the drilling program and that's why we're going to continue as best we can to support it."



Performance Data

Global Reporting Initiative

G3.1 Content Index

In compiling this report, we have measured our performance using the Sustainability Reporting Guidelines (G3.1) developed by the Global Reporting Initiative (GRI), including mining industry specific indicators incorporated in their Mining and Metals Sector Supplement by AEM-specific indicators that recognize our values and challenges, and by Towards Sustainable Mining (TSM) which strives to push Mining Association of Canada (MAC) members to meet society's needs for minerals, metals and energy products in the most conscientious way possible, conducting all facets of business effectively, transparently and accountably.

We have tried to report in as quantifiable a manner as possible and on a facility-by-facility basis to allow our future trends to be measured against our past performance and objectives, and the performance of our industry peers. We have reported information for all of the Core GRI Indicators and for most of the Additional GRI Indicators for all elements. Where an indicator is not material due to the nature of our business, we have provided an explanation of why in our view this indicator is not material.

The following tables present AEM's 2012 performance data for each of these indicators.



Aspect: AEM-Specific Organizational Indicators

AEM1 – Number of inspections carried out

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Total number of workplace Health & Safety Inspections carried out in 2012	144	109	8	23	2,155	286	35	2,760
Total number of workplace Environmental Inspections carried out in 2012	52	75	23	52	366	68	385	1,021

AEM2 – Number of audits carried out

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Total number of workplace internal Health & Safety audits carried out in 2012	73	–	2	55	11	152	4	297
Total number of workplace internal Environmental audits carried out in 2012	3	–	–	1	–	1	4	9
Total number of external Environmental audits	–	–	–	–	3	1	1	5

AEM3 – Number of persons who received Health, Safety and Environment Induction Training in 2012

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
	988	324	195	1,994	410	279	406	4,596

AEM4 – Number of formal safety meetings with employees carried out in 2012

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
	665	120	178	191	137	876	876	3,043

AEM5 – Number of accident/incident analyses carried out in 2012 involving employees

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
	138	18	18	158	256	629	10	1,227



GRI Economic Performance Indicators

Aspect: Economic Performance

EC1 – Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments (thousands of US\$) (includes exploration/Toronto/ Vancouver)

Direct economic value generated

a) Revenues	\$	1,917,714
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Economic value distributed

b) Operating costs		
Exploration	\$	109,500
Operations		897,712

Total	\$	1,007,212
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c) Employee wages and benefits

Kittila	\$	33,868
Pinos Altos		30,665
Lapa		25,346
Goldex		19,952
Laronde		94,642
Regional		22,484
Meadowbank		85,008
Meliadine		5,669
Exploration		1,679
Head Office		43,763

Total	\$	363,076
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d) Payments to providers of capital	\$	194,831
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e) Payments to government by country/region

i) Deferred tax	\$	72,673
Finland	\$	21,959
Mexico	\$	31,601
Quebec		9,818
Nunavut		9,294

Total	\$	72,673
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ii) Current tax	\$	39,964
Finland	\$	9,638
Mexico		30,326
Quebec		–
Nunavut		–

Total	\$	39,964
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iii) Government royalties and mining taxes	\$	7,318
Finland	\$	–
Mexico		1,724
Quebec ¹		
LaRonde		3,334
Lapa		1,875
Nunavut		385
Total	\$	7,318
iv) Payroll taxes (paid by employer)	\$	17,207
Finland	\$	721
Mexico		629
Quebec		12,745
Nunavut		3,112
Head office		–
Total	\$	17,207
v) Payroll taxes (paid by employee)	\$	102,201
Finland	\$	9,838
Mexico		5,388
Quebec		57,102
Nunavut		29,872
Head office		–
Total	\$	102,201
vi) Municipal taxes	\$	2,818
Finland	\$	255
Mexico		24
Quebec		1,495
Nunavut		1,044
Total	\$	2,818
vii) Rent (mining leases and claims)	\$	1,000
Finland	\$	77
Mexico		345
Quebec		235
Nunavut		343
Total	\$	1,000
Total payments to government by country/region		
Finland	\$	42,489
Mexico		70,037
Quebec		86,604
Nunavut		44,050
Total	\$	243,181
f) Community investments – voluntary contributions and community investments	\$	4,907
Economic value retained		
g) Retained earnings	\$	7,046

All figures in thousands of US\$

1) Total government royalties and mining taxes for Quebec were \$5,209.

In 2012 tax credits deferred from the significant investment made in LaRonde extension project.

Mining activities at Goldex were suspended in 2012.

Applied tax from investment in Lapa processing infrastructure in 2012.



EC2 – Financial implications and other risks and opportunities for the organization's activities due to climate change

AEM recognizes that changing environmental conditions have major implications for our economic viability, and for the social and cultural well-being of our world as a whole. We understand that taking a proactive approach to reducing future uncertainties starts by identifying and anticipating potential vulnerabilities at each of our operations. The major risks from climate change at our operations are summarized as follows: 1) Water shortages at Pinos Altos - AEM has installed equipment to filter all mill tailings at Pinos Altos to reduce risk associated with chronic shortages of water at this geographic location; 2) Degradation of permafrost at Meadowbank – AEM has designed all facilities to accommodate degradation of permafrost at Meadowbank without compromising facility performance. From our risk analysis we see no other significant climate change related risks that could materially impact our mining operations. A large portion of our operations draw power from hydroelectric sources; in that regard, Meadowbank is a special case as it needs to generate its own power through the use of diesel. We see no approaching regulatory change that would put this operation at risk. In summary, AEM sees no material financial implications from climate change at its six operating minesites.

EC3 – Coverage of the organization's defined benefit plan obligations

100% – AEM's defined benefit plan obligations are fully funded.

EC4 – Significant financial assistance received from government

	Total
Nunavut Fuel Tax Rebate under Development Partnership Agreement	\$1,912,195.75

EC5 – Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation (all amounts are represented in local currencies)

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos (pesos)	Meadowbank	Exploration	Average
EC5A) What was the starting entry level wage (\$/hr.) at this mine in 2012	\$27.74	\$27.57	\$28.57	18.16€	MXN 22.07	\$20.87	N/A	
EC5B) What was the local minimum wage in the jurisdiction in which the mine is located?	\$9.90	\$9.90	\$9.90	15.73€	MXN 7.39	\$11.00	N/A	
The ratio of the mine's entry level wage to the local minimum wage = EC5A/EC5B	2.8	2.8	2.9	1.2	3.0	1.9	2.1	

*For Exploration this is not applicable as the wages vary from region to region.

**All figures in local currencies



Aspect: Market Performance

EC6 – Policy, practices and proportion of spending on locally based suppliers at significant locations of operation

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Average
Proportion of mine spending (%) on supplies that goes to local suppliers – where local is defined as the geographic or economic region in which the mine is located, such as northern Quebec for the Abitibi, Chihuahua State for Pinos Altos, Lapland for Kittila, and Nunavut for Meadowbank (all amounts are represented in local currencies)	48%	71%	62%	16%	50%	59%	51%
Total purchases for division	\$231,005,399.00	\$57,608,587.00	\$52,578,899.00	€135,853,730.53	\$90,092,275.00	\$390,995,657.00	
Total purchases for division in local region	\$110,724,664.00	\$40,679,237.00	\$32,411,069.00	€22,378,844.76	\$44,595,676.13	\$232,142,220.00	

AEM6 – Summary of Nunavut expenditures for 2012

	Meadowbank	Meliadine	Total
Total expenditures	\$232,142,220	\$45,559,101	\$277,701,321
NTI registered	\$127,388,899	\$36,239,056	\$163,627,955
Nunavut based	\$230,897,394	\$43,686,581	\$274,583,975
Northern based	\$232,142,220	\$45,559,101	\$277,701,321
Baker Lake based	\$120,426,577	\$1,611,990	\$122,038,567
Rankin Inlet based	\$91,586,096	\$40,990,595	\$132,576,691

EC7 – Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operations

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Average
Proportion of the mine workforce (%) that is hired from the local region in which the mine is located, such as northern Quebec for the Abitibi, Chihuahua State for Pinos Altos, Lapland for Kittila, and Nunavut for Meadowbank (all numbers in local currencies)	100.00%	100.00%	100.00%	91.50%	65.42%	32.00%	81.40%	81.47%
Proportion of the mine management team (%) that is hired from the local region in which the mine is located, such as northern Quebec for the Abitibi, Chihuahua State for Pinos Altos, Lapland for Kittila, and Nunavut for Meadowbank	100.00%	100.00%	100.00%	50.00%	65.38%	3.00%	76.00%	70.63%



Aspect: Indirect Economic Impacts

EC8 – Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement

LaRonde

Goldex Every year AEM gives to the palliative care hospices in the surrounding areas (Amos, Val-d'Or and Rouyn).

Lapa

Kittila none

Pinos Altos New school rooms, etc.

Meadowbank Cell service in Baker Lake continues, a project that we developed

Cleanup the lay-down area that had been used for years to store old metal barrels and obsolete equipment. This material was sent to a metal recycling facility in the south.

EC9 – Understanding and describing significant indirect economic impacts, including the extent of impacts

The Kittila mine currently is the biggest employer in Finland north of the Arctic Circle. Located close to a ski resort, the Kittila area's local economy was almost exclusively dependent on the busy winter months, and most businesses shut down during the summer. AEM has provided a significant number of year-round employment opportunities and increased the overall level of economic activity in the area. Agnico Eagle has also brought much needed stimulus to the local economies around the Pinos Altos and Meadowbank mines. Agnico Eagle is a substantial economic contributor both directly through employment and local purchasing and indirectly through the "multiplier effect", stimulating employment in goods and services industries and improving the quality of living in the local communities around the mine.

GRI Environment Performance Indicators

Aspect: Materials

EN1 – Materials used by weight and volume

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Total
Tonnes of ore milled	2,359	–	640	1,090	4,394	3,821	12,304
Tonnes of waste rock mined	614,581	240,504	245,379	2,189,803	20,932,152	28,702,240	52,924,659

* the Pinos Altos tonnage information includes the Mascota site

EN2 – Percentage of materials used that are recycled input materials

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Total
Percentage of materials used that are recycled input materials	nil	nil	nil	nil	nil	nil	nil



Aspect: Energy

EN3 – Direct energy consumption by primary energy source

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
a) How much diesel fuel was used to generate power at this minesite (litres)?	–	–	–	–	1,552,748	34,021,831	1,401,832	36,976,411
b) How much diesel fuel was used by mining equipment (heavy equipment and lighter vehicles) at this minesite (litres)?	4,843,653	496,258	1,391,102	240,910	16,850,427	37,055,528	2,103,524	62,981,402
c) Was diesel fuel used for any other purposes? If yes – what was this fuel used for?	–	–	–	–	–	–	–	–
d) If yes – how much diesel fuel was used for this purpose (litres)?	–	–	–	1	118,037	–	–	118,038
e) Was mine air heated at this minesite – yes or no?	yes	yes	yes	yes	–	–	–	–
f) If yes – what fuel was used to heat mine air?	Natural gas	Natural gas	Natural gas	Propane	–	–	–	–
g) If yes – how much of this fuel was used to heat mine air?								
Natural gas (m3)	4,457,393	1,132,375	1,427,036	–	–	–	–	7,016,804
Propane (litres)	–	–	–	1,372,200	–	–	–	1,372,200
Diesel (litres)	–	–	–	–	–	–	–	–
h) How much gasoline was used at this minesite (litres)?	80,650	–	4,847	–	520,320	69,619	94,418	769,854
i) How much aviation fuel was used at this minesite (litres)?	–	–	–	–	48,000	255,075	282,414	585,489
j) How much propane (other than for mine air heating) was used at this minesite (litres)?	–	–	–	–	–	6,280	–	6,280
k) Was any other fuel used by the division and how much (litres)?	–	–	–	3,247,675	566,295	–	–	3,813,970
l) If yes – what type of fuel?								
n) Natural gas for heating buildings and air compressors (m ³)	1,844,051	–	–	–	–	–	–	1,844,051
o) Total quantity of diesel used at the mine (litres)	4,843,653	496,258	1,391,102	240,910	18,521,212	71,077,359	3,505,356	100,845,706



EN4 – Indirect energy consumption by primary source

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Electricity purchased from an outside utility (kWh)	367,364,925	28,438,407	50,269,660	136,267,251	99,019,920	–	7,196	681,367,359

EN4a – Electricity generation on site

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Electricity generated on site (kWh)	–	–	–	–	4,574,873	142,161,313	–	146,736,18

EN5– Energy saved due to conservation and efficiency improvements – Initiatives implemented in 2012

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	
Estimate of the amount of energy saved over the past year	none	none	none	none	none	Power plant heat recovery system optimization Estimated energy saved (incl fuel) @ 300,000 kW = \$518,400/year and up to 500,000 kW = \$864,000/year	

Aspect: Water

EN8 – Total water withdrawal by source

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
1) Total amount of fresh water pumped by AEM from a lake, river, stream, or wetland and used at this minesite (m ³)	1,093,835	210,431	263,100	1,223,859	9,084	1,044,674	63,733	3,908,716
2) Total amount of groundwater (well water) pumped by AEM at this minesite (m ³)	3,130	–	2,312	40,182	933,784	–	7,721	987,128
3) Total amount of rainwater (and snowmelt) collected directly, stored and used by AEM at this minesite (m ³)	–	–	3,746	–	22,492	–	–	26,238
4) Total amount of municipal water (water taken from a town system) used by AEM at this minesite (m ³)	–	7,962	–	–	–	–	2,000	9,962
1+2+3+4) Total volume of all fresh water used for all mine uses (m ³)	1,096,965	218,422	269,158	1,264,041	936,784	1,044,674	56,006	4,886,050


EN9 – Water sources significantly affected by withdrawal of water

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank
Where does the mine get its fresh water (name of lake, river, stream or groundwater)?	Lac Chassignol	Thompson River	Héva River	Seurujoki River	–	Third Portage Lake
If a lake, what is the size of the lake in cubic metres?	>25,000,000	N/A	N/A	N/A	–	446,000,000
If a river or stream, what is the average flow in cubic metres per second?	N/A	6,200	0.42	4.02	–	N/A
Is the source designated as a protected area (nationally and/or internationally)?	no	no	no	no	–	no
Is the water source recognized by professionals to be particularly sensitive (due to size, function, or status as a rare, threatened or endangered species habitat)?	no	no	no	no	–	no
Number of protected species in the waterbody	none	none	none	none	–	none
Is the waterbody a Ramsar-listed wetland or any other nationally and/or internationally proclaimed conservation area?	no	no	no	no	–	no
Does the withdrawal account for an average of 5 percent or more of the annual average volume of the waterbody?	no	no	no	no	–	no
Based on the above, is the water source significantly affected by the withdrawal?	no	no	no	no	–	no

EC10 – Percentage and total volume of water recycled and reused

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration ¹	Total
Total volume of water recycled and reused at this minesite (cubic metres)	4,242,846	–	109,330	1,914,111	1,316,747	2,908,839	–	10,491,873
Percent recycle/reuse	388%	0%	42%	156%	0%	278%	0%	

¹⁾ For exploration, there is some recycling of drill water; however, the data is not currently collected.

Aspect: Biodiversity
EN11 – Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity values outside protected areas

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
At this minesite, is there any mine land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity values outside protected areas. If yes – how many hectares of mine land are involved?	no	no	no	no	yes	no	no

Note:
AEM currently leases or owns 7,796 hectares adjacent or close to protected areas (ANPs). Mascota and Pinos Altos mines are adjacent but are considered outside the ANPs


EN12 – Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos ¹	Meadowbank	Exploration
At this minesite, is the mine having any significant impact on biodiversity?	no	no	no	no	no	no	no

¹At Pinos Altos, some deforestation is taking place on the mine-impacted land and some protected tree species are being impacted. Consequently, the mine operates a tree nursery on site to replace sensitive vegetation and tree species so that this impact can be reversed during mine reclamation.

MM1 – Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Total land area in hectares owned or leased that makes up the minesite	785.00	517.00	70.00	846.90	7,753.82	2,292.00	376,933	389,198
Total of this land area that is physically disturbed by mine activity (Ha)	706.00	330.00	12.00	680.00	421.53	1,812.72	193.45	4,156
Total of this land that has been reclaimed (Ha)	0.00	0.00	0.00	0.00	15.33	0.00	9.2	25

EN13 – Habitats protected or restored

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
At this minesite, was there any mine-impacted land restored in 2012? If yes – please describe the restoration completed and the amount (Ha) of land restored.	8.7	no	no	no	15.328	no	no
If restored – whether the success of the restoration measure was/is approved by independent external professionals.							
Whether partnerships exist with third parties to protect or restore habitat distinct from restoration or protection measures overseen and implemented by the organization.	no	no	no	no	no	no	no

Note:
AEM contributes to a restoration fund for abandoned drill sites.



EN14 – Strategies, current actions and future plans for managing impacts on biodiversity

The organization’s strategy for achieving its policy on biodiversity management:

- Including integration of biodiversity considerations in analytical tools such as environmental site impact assessments
- Including methodology for establishing risk exposure to biodiversity
- Including setting specific targets and objectives
- Including monitoring processes
- Including public reporting
- The actions underway to manage biodiversity risks identified in EN11 and EN12 or plans to undertake such activities in the future

We do not have a specific policy on biodiversity conservation for AEM operations. We don’t have specific targets and objectives and no specific methodology to assess risk exposure to biodiversity, but as part of the Towards Sustainable Mining Initiative we assess our performance with respect to biodiversity. The purpose of the biodiversity assessment protocol is to provide guidance to the member companies in completing their evaluation of biodiversity conservation management against TSM indicators. The assessment protocol sets out the general expectations of MAC for biodiversity conservation management by its member companies in support of the TSM Initiative.

1. When we are planning our project we are trying as much as possible to reduce our ecological footprint, in other words, to minimize our impact on biodiversity. That’s how Lapa and Goldex were developed. So in that sense, we do have biodiversity consideration when we are assessing the impact of mining projects. We need to assess if we impact any endangered, protected or threatened species according to the provincial and federal list of endangered or threatened species, or if we have any impact on a wetland. Also, any impact on fauna habitat has to be assessed in surface area and financially compensated to the local government. Any impact on fish habitat must be assessed and compensated (to recreate a similar habitat of the same value somewhere else), so it has to be quantified and monitored to confirm that the works achieve our goal.
2. Second, we are trying to reclaim (through revegetation) any area of our property that does not need to be used anymore. In doing that, we recreate habitat for biodiversity (reptile, wildlife, birds and mammals). LaRonde and Pinos Altos did some reclamation works in 2010/11 that consisted of planting trees. These works are quantified in term of surface area revegetated.
3. Third, at our sites we are conducting environmental effect monitoring studies in receiving waters of the sites’ effluent as part of the requirements of the federal Metal Mining Effluent Regulation. In that sense, we do monitor our effects on aquatic biodiversity and, when confirmed effects are observed, we are setting research efforts to find causes of these effects and implementing plans to reduce these effects when the causes have been identified and related to the mine.

MM2 – The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Are there any lands on the minesite where a biodiversity management plan is required?	no	no	no	no	no	no	no
Does a biodiversity plan exist for these sites?	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Explain	no	no	no	no	no	no	no

EN15 – Number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	none	none	none	none	none	none	none



Aspect: Emissions, Effluents and Waste

EN16 – Total direct and indirect greenhouse gas emissions by weight (tonnes)

	LaRonde	Goldex ²	Lapa	Kittila	Pinos Altos	Meadowbank	Total
Total Direct GHG Emissions	25,737	3,597	6,656	9,829	57,867	202,175	305,862
Total Indirect GHG Emissions	4,873	259	457	7,754	46,520	–	59,862
Total GHG Emissions	30,610	3,856	7,113	17,586	104,387	202,175	365,725
GHG Intensity ¹	0.013	–	0.011	0.016	0.024	0.053	0.029

¹CO₂ equivalent per tonne of ore processed (tonne of CO₂ equivalent per tonne milled)

²Goldex was not in operation in 2012

EN17 – Other relevant indirect greenhouse gas emissions by weight

AEM has indirect GHG emissions through the purchase of electricity from third-party utilities. These have been reported under EN16. AEM does not track indirect GHG emissions from employee travel or from employees commuting to and from work. AEM does have programs in place at its operations to enhance car pooling or provide bus transportation to and from the minesite at no cost to the employees, to minimize personal use of individual cars.

EN18 – Initiatives to reduce greenhouse gas emissions and reductions achieved

	LaRonde	Goldex ²	Lapa	Kittila	Pinos Altos	Meadowbank	Total
Were any initiatives taken at this minesite in 2012 to reduce greenhouse gas emissions – yes or no?	no	no	no	no	no	no	no
If yes – please describe the initiative and estimate the emission reduction achieved.	–	–	–	–	–	–	–

EN19 – Emissions of ozone-depleting substances by weight

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Ozone-depleting substances emitted in 2012	none	none	none	none	none	none	none	none

EN20 – NOx, SOx, and other significant air emissions by type and weight

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Estimated SOx emissions from fuel (tonnes) in 2012	30	30	30	30	30	30	N/A	181
Estimated NOx emissions from fuel (tonnes) in 2012	368	368	368	368	368	368	N/A	2,207


EN21 – Total water discharge by quality and destination

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
a) Volume of final effluent discharged to the receiving environment at this minesite (m3)	2,690,990	2,848,745	274,199	2,551,321	16,087	1,648,348	Varies by site	10,029,691
What type of effluent treatment is used at this mine?	Chemical + biological	N/A	Stripping ammonia tower; precipitation of suspended solid	Sedimentation	Activated sludge	Actiflow for TSS	Varies by site	
b) Volume of sewage (black and grey water) discharged by the mine into a municipal sewage treatment system (m3)	none	none	none	595	none	none	Varies by site	595
c) Volume of sewage (black and grey water) treated at the mine and discharged to the receiving environment (m3)	Not measured	7,300	2,312	5,475	–	–	Varies by site	15,087
d) What type of sewage treatment system is used at this minesite?	Septic fields + treatment ponds	Septic field + UV treatment	Septic tank followed by biological treatment (Bionest)	Biological	Activated sludge	Rotary biological contactor	Varies by site	–



EN22 – Total weight of waste by type and disposal method

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Paper and cardboard (tonnes)	45	18	8	6	12	–	–	89
Plastics (tonnes)	–	–	1	138	–	–	–	139
Metals (tonnes)	836	227	100	456	887	630	29	3,165
Wood (tonnes)	366	105	62	209	28	–	–	770
Used oil sent off site for treatment/ disposal or used on site as fuel (litres)	264,619	11,335	31,055	50,094	338,999	753,339	240	1,449,681
Waste stored or disposed of on site	–	–	–	–	–	–	–	–
Contaminated soil stored on site in 2012	–	–	–	60	213	1,250	140	1,663
Contaminated soil treated on site at a landfarm in 2012	–	–	–	–	–	1,730	–	1,730
Domestic garbage sent to an on-site landfill facility (tonnes)	–	–	–	–	569	9,843	–	10,413
Domestic garbage sent to an on-site incinerator (tonnes)	–	–	–	–	–	574	–	574
Waste stored or disposed of off site	–	–	–	–	–	–	–	–
Domestic garbage sent to off-site municipal landfill (tonnes)	367	367	122	531	–	–	1	1,388
Contaminated soil shipped off site for disposal at a licensed facility (tonnes)	17	–	13	86	213	2	–	329
Total domestic waste generated in 2012	1,248	350	172	809	1,496	11,047	30	15,151
Hazardous wastes shipped by the mine to a licensed off-site disposal/ recycling facility (tonnes)	297	28	57	101	296	523	–	1,301
Percentage of total domestic waste recycled at each site	100%	100%	100%	100%	62%	6%	98%	


MM3 – Total amounts of overburden, rock, tailings and sludges presenting potential hazards

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Total
Overburden mined (tonnes)	–	–	–	–	–	–	–
Waste rock mined (total) (tonnes)	614,581	–	–	1,817,536	–	19,056,629	21,488,746
Waste rock returned underground as backfill (tonnes)	307,446	–	–	209,313	–	–	516,759
Waste rock used in tailings dam construction (tonnes) ¹	45,038	–	–	–	–	958,808	1,003,846
Waste rock used in other construction (tonnes)	1,580	–	–	–	–	1,593,617	1,595,197
Waste rock placed on surface waste rock piles (tonnes)	260,515	–	–	1,608,223	–	16,504,205	18,372,943
Mill tailings (total) (tonnes)	2,865,432	–	–	1,086,874	–	3,820,911	7,773,217
Mill tailings returned underground as backfill (tonnes)	584,944	–	–	44,234	–	–	629,178
Mill tailings placed in surface tailings containment (tonnes)	1,655,260	–	–	1,042,640	–	3,820,911	6,518,811

MM3a – Total material mined, both hazardous and non-hazardous

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Total
Overburden (tonnes)	–	–	–	–	–	2,840,958	2,840,958
Tonnes of ore loaded onto heap leach pad	–	–	–	–	2,557,339	–	2,557,339
Total waste rock (tonnes)	614,581	240,504	245,379	2,189,803	20,932,152	28,702,240	52,924,659
Returned underground as backfill (tonnes)	307,446	–	355,662	209,313	–	–	872,421
Used in tailings dam construction (tonnes)	45,039	–	–	62,410	214,157	990,095	1,311,701
Used in other construction (tonnes)	1,580	153,000	–	239,468	–	7,758,753	8,152,801
Placed on surface waste rock piles (tonnes)	260,515	240,504	(110,283)	1,678,612	20,717,995	19,953,392	42,740,735
Total mill tailings (tonnes)	2,865,432	–	–	1,086,874	1,839,455	3,820,911	9,612,672
Returned underground as backfill (tonnes)	584,944	–	–	44,234	503,650	–	1,132,828
Percentage of tailings returned underground as backfill	26%	0%	0%	0%	27%	0%	27%
Placed in surface tailings containment (tonnes)	1,655,260	–	–	1,042,640	1,335,806	3,820,911	7,854,617



EN23 – Total number and volume of significant spills

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
All spills	23	4	10	17	17	89	23	183
Number of spills inside the minesite boundary	21	4	7	17	13	73	22	157
Total volume of spills inside the minesite boundary (litres)	64,323	258	665,030	806	1,460	42,761	2,277	776,915
Average volume of spills inside the minesite boundary (litres)	2,846	32	125,941	47	143	2,244	34	131,288
Number of spills outside the minesite boundary	2	–	–	–	–	3	–	5
Total volume of spills outside the minesite boundary (litres)	90,001	–	–	–	–	310	–	90,311
Average volume of spills outside the minesite boundary (litres)	22,500	–	–	–	–	46	–	22,547
Spills > 100 litres								
Number of spills inside the minesite boundary	3	–	–	1	4	13	1	22
Total volume of spills inside the minesite boundary (litres)	1,164	–	–	250	900	40,885	1,500	44,699
Average volume of spills inside the minesite boundary (litres)	202	–	–	250	225	10,576	750	12,003
Number of spills outside the minesite boundary	–	–	–	–	–	1	–	1
Total volume of spills outside the minesite boundary (litres)	–	–	–	–	–	200	–	200
Average volume of spills outside the minesite boundary (litres)	–	–	–	–	–	50	–	50



EN23 – Total number and volume of significant spills (continued)

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Spills > 1,000 litres								
Number of spills inside the minesite boundary	4	–	3	–	–	3	–	10
Total volume of spills inside the minesite boundary (litres)	63,020	–	665,000	–	–	37,550	–	765,570
Average volume of spills inside the minesite boundary (litres)	8,043	–	166,250	–	–	37,550	–	211,843
Number of spills outside the minesite boundary	1	–	–	–	–	–	–	1
Total volume of spills outside the minesite boundary (litres)	–	–	–	–	–	–	–	–
Average volume of spills outside the minesite boundary (litres)	90,000	–	–	–	–	–	–	90,000
Percentage of these spills that affected area outside the mine boundary	–	–	–	–	–	–	–	–
Total volume of spills outside the mine boundary	–	–	–	–	–	–	–	–

EN24 – Weight of transported, imported, exported or treated waste deemed hazardous under the Terms of the Basel Convention Annex I, II, III and IV, and transported waste internationally

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Did this minesite ship any hazardous waste outside the country in 2012 – yes or no?	no	no	no	no	no	no	no
If yes – what was shipped, to where and how much?	–	–	–	–	–	–	–



EN25 – Identify size, protected status and biodiversity value of waterbodies and related habitats significantly affected by the reporting organization’s discharges of water and runoff

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Where does the mine discharge its final effluent (name of lake, river, stream or wetland)?	Dornenan Creek	No name stream	Wetland	Wetland	La Bateria Stream and Concheño River	Third Portage Lake	Varies by site
If a lake, what is the size of the lake in cubic metres?	N/A	N/A	N/A	N/A	N/A	446,000,000	Varies by site
If a river or stream, what is the average flow in cubic metres per second?	2	N/A	N/A	N/A	N/A	N/A	Varies by site
Is the receiving waterbody designated as a protected area (nationally and internationally)?	no	no	no	no	no	no	Varies by site
Is the receiving waterbody recognized by professionals to be particularly sensitive (due to size, function, or status as a rare, threatened or endangered species habitat)?	no	no	no	no	no	no	Varies by site
Number of protected species in the waterbody	none	none	none	none	none	none	Varies by site
Is the waterbody a Ramsar-listed wetland or any other nationally and/or internationally proclaimed conservation area?	no	no	no	no	no	no	Varies by site
Does the amount of effluent discharged into this waterbody account for an average of 5 percent or more of the annual average volume of the waterbody?	no	no	no	no	no	no	Varies by site
Based on the above, is the waterbody significantly affected by the discharge?	no	no	no	no	no	no	Varies by site

EN26 – Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

As a member of the World Gold Council, Agnico Eagle Mines is committed to ensuring ethical gold use.

EN27 – Percentage of products sold and their packaging materials that are reclaimed by category

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
The percentage of reclaimed products and their packaging materials for each category of products	none	none	none	none	none	none	none
How the data for this indicator has been collected	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note:
Agnico Eagle gold doré and concentrate is not packaged; therefore, this indicator is not applicable in our business case.



Aspect: Compliance

EN28 – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Was this mine charged in 2012 for any non-compliance events with environmental laws and regulations – yes or no?	no	no	no	no	no	no	no
What was the total amount of fines or penalties levied against the mine in 2012 for non-compliance with environmental laws and regulations (US\$)?	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Was any action taken against this mine in 2012 for non-compliance events with environmental laws and regulations?	no	no	no	no	no	no	no

EN29 – Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.

Transport is a critical component of Agnico Eagle's business. We have a significant fleet of heavy equipment used to mine and transport ore and waste rock. We use light vehicles to move people around our sites, and we transport large quantities of materials along public roads to our operations. In addition, our employees and contractors use cars, buses and planes to get to and from work. AEM has also become a signatory of the International

The potential impacts from transport related to our activities are felt in three principal areas, GHG emissions, potential road accidents, and traffic issues such as noise, dust and road maintenance. AEM recognizes these potential impacts and has strategies and/or management plans in place to reduce and mitigate impacts.

EN30 – Total environmental protection expenditures and investments by type (excluding capital)

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
How much did this mine spend on environmental protection and management in 2012?	\$2,578,516	\$764,000	\$897,318	\$1,184,793	\$515,388	\$46,670,539	–
Environment management budget	\$1,373,440	\$115,000	\$430,918	\$3,689,396	\$188,528	\$4,431,388	–
Environment capital expenditures (Impoundment + infrastructures)	\$1,205,076	\$517,000	\$298,381	\$249,315	\$767,351	\$40,526,582	–
How much did this mine spend on waste disposal, water treatment and remediation in 2012?	\$6,246,183	\$132,000	\$522,927	\$745,945	\$165,305	\$1,712,569	–



GRI Labour Practices and Decent Work Performance Indicators

LA1 – Total workforce by employment type, employment contract and region

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Corporate and Administration	Total
Total number of employees (AEM, contractors, full time and temporary) working at this minesite in 2012	1,120	224	321	609	1,820	1,155	126	348	5,723
Total number of AEM employees working at this mine in 2012 (Q4)	849	171	217	429	1,397	787	145	348	4,343
AEM – full time employees (Q4)	819	163	213	413	1,381	673	114	337	4,113
AEM – part time employees (Q4)	30	8	4	16	16	114	31	11	230
Total number of contractor employees working at this mine in 2012 (Q4)	271	53	104	180	423	368	185	–	1,584


LA2 – Total number and rate of employee turnover by age group, gender and region

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Total number of AEM employees leaving employment at this mine in all of 2012	67	11	25	11	152	70	52	388
Breakdown of this number by gender (employees leaving)								
Female	4	2	1	3	18	8	9	45
Male	63	9	24	8	134	62	43	3
Breakdown of this number by age group (employees leaving)								
< 30 years old	11	1	4	2	76	15	19	128
30 to 50 years old	43	7	16	6	70	40	24	206
> 50 years old	13	3	5	3	6	15	9	54
Breakdown of this number by region (employees leaving)								
Number who are local employees (economic region in which the mine is located)	67	11	25	5	70	23	24	225

¹⁾At the Meadowbank mine, we have a relatively high turnover rate among our employees coming from the local region around the mine. These are employees entering the wage economy for the first time and thus there is a large adjustment being made to their way of life. In most cases, the employee is having to cope with being away from family and with adjusting to an imposed daily work schedule. Most of the turnover is voluntary, and in many cases the employee leaving will later re-apply to come back to work.

²⁾At Pinos Altos, we also have a relatively high rate of turnover due to the fact that there is a lot of competition for skilled labour among the mines in the area.


LA3 – Benefits provided to full time employees that are not provided to temporary or part time employees, by major operations

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Are the following benefits offered to AEM full time employees – yes or no?							
Life insurance	yes	yes	yes	yes	Only SAEM	yes	Varies by site
Health care (additional to government provided health care)	yes	yes	yes	yes	yes	yes	yes
Disability/invalidity coverage	yes	yes	yes	yes	Provided by government	yes	yes
Maternity/paternity leave	yes	yes	yes	yes	Provided by government	yes	yes
Retirement provision	yes	yes	yes	yes	Provided by government	yes	yes
Stock ownership	yes	yes	yes	yes	Salary only	yes	Varies by site
Are the following benefits offered to AEM temporary employees – yes or no?							
Life insurance	yes	yes	yes	yes	Only SAEM	no	Varies by site
Health care (additional to government provided health care)	yes	yes	yes	yes	yes	no	Varies by site
Disability/invalidity coverage	yes	yes	yes	yes	Provided by government	no	Varies by site
Maternity/paternity leave	no	no	no	yes	Provided by government	no	no
Retirement provision	no	no	no	yes	Provided by government	no	no
Stock ownership	yes	yes	yes	no	no	no	no
Are the following benefits offered to AEM part time employees – yes or no?							
Life insurance	no	no	no	yes	Only SAEM	no	no
Health care	no	no	no	yes	yes	no	no
Disability/invalidity coverage	no	no	no	yes	Provided by government	no	no
Maternity/paternity leave	no	no	no	no	Provided by government	no	no
Retirement provision	no	no	no	yes	Provided by government	no	no
Stock ownership	no	no	no	no	no	no	no



LA4 – Percentage of employees covered by collective bargaining agreements

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
What percentage of AEM employees are covered by a collective bargaining agreement at this minesite?	0%	0%	0%	99.0%	87%	0%	0%

Note:
At each of our mines, we have a collaboration committee consisting of employees from different areas of the mine who are elected to represent their co-workers. These representatives meet regularly with local mine management to discuss all issues of concern to employees, including employment conditions, compensation, work schedules and procedures, equipment selection and grievances.

LA5 – Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
At this minesite, typically how many weeks notice would be given to employees prior to a significant operational change that could substantially affect them?	4 weeks	4 weeks	4 weeks	2 weeks	3–5 weeks	4 weeks or based on seniority years	2–4 weeks

MM4 – Number of strikes and lockouts exceeding one week’s duration, by country

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Total number of strikes and lockouts that exceeded one week’s duration during the reporting period, by country	none	none	none	none	none	none	none

LA6 – Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Does this mine have a formal Health and Safety Committee with labour and management representation?	yes	yes	yes	yes	yes	yes	yes
What proportion of the workforce is represented on this committee?	100%	100%	100%	100%	100%	100%	75%


LA7 – Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Person hours worked	2,177,936	461,661	608,550	1,299,330	3,909,344	2,415,772	471,108	12,366,095
Number of fatalities	0	0	0	0	0	0	0	0
Number of lost-time accidents	7	4	8	13	1	8	6	47
Number of light duty accidents	18	8	16	4	19	34	5	104
Days lost (LTA)	1,879	28	327	128	96	63	247	2,768
Days lost (LDA)	418	56	398	18	420	100	42	1,452
Number of medical aid incidents	68	4	34	19	38	19	12	194
First aid	144	16	83	23	35	217	76	594
Reported	388	32	107	47	2	110	–	686
Incident	327	49	116	156	24	241	8	921
Frequency (combined)*	2.30	5.20	7.89	2.62	1.02	3.48	**See below	2.44

* The global LTA and combined LTA frequency numbers are calculated with the total number of hours worked across the Company including corporate and administration man-hours not shown here.

** Meliadine – 2.97

Exploration (Canada and USA) – 1.58

LA8 – Education, training, counselling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
In 2012, did the mine provide training to assist workforce members prevent/manage serious disease – yes or no?	yes	yes	yes	yes	yes	yes	yes
If yes – was this training given to: Employees	yes	yes	yes	yes	yes	yes	yes
Employees' families	no	no	no	no	yes	no	no
Other members of the community	no	no	no	no	yes	no	no

LA9 – Health and safety topics covered in formal agreements with trade unions

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Is Health and Safety covered in any formal agreement with trade unions at this mine in 2012 – yes or no?	no	no	no	yes	yes	no	no


LA10 – Average hours of training per year per employee per employee category

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Total person hours devoted to training personnel at the mine in 2012	31,087	960	3,587	5,177	76,917	6,214	123,941
Average hours of training = Total hours devoted to training/Total number of employees (in hours)	38	6	17	8,5	55	8	30

LA11 – Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Did the mine offer internal skills training programs at the mine in 2012?	yes	yes	yes	yes	yes	yes	yes	
Did the mine have any apprenticeship training programs in place in 2012?	yes	no	yes	yes	yes	yes	yes	
If yes – how many apprenticeships were in place in 2012?	39	–	2	4	360	6	1	412
Did the mine offer any programs to help employees prepare for retirement in 2012 – yes or no?	yes	yes	yes	yes	no	yes	yes	

LA12 – Percentage of employees receiving regular performance and career development reviews

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
What percent of all employees at this mine received regular performance and career development reviews in 2012?	29%	55%	27%	76%	13%	33%	100%



LA13 – Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Percentage of workforce at this mine who are male	95%	96%	98%	88%	87%	86%	75%
Percentage of workforce at this mine who are female	5%	4%	2%	12%	13%	14%	25%
Percentage of workforce at this mine in each of the following age groups (total should be 100%)							
< 30 years old	13%	7%	22%	21%	42%	23%	29%
30 to 50 years old	65%	70%	56%	61%	52%	49%	48%
> 50 years old	21%	23%	23%	18%	6%	27%	22%

LA14 – Ratio of basic salary of men to women by employee category

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos (pesos)	Meadowbank	Exploration
Ratio: Men's basic salary/women's basic salary							
Ratio: Men's average salary/women's average salary	1.21	0.95	1.41	0.95	1.14	1.24	1.19



GRI Human Rights Performance Indicators

Aspect: Investment and Procurement Practices

HR1 – Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening

AEM will not conduct business in places of high political risk or places where there are high instances of human rights abuses. As such, we have not felt the need to apply human rights clauses or screening to past significant investment agreements. We will continue to mine only in places where the instances of human rights abuses are low and places of low political risk, and consequently, AEM does not have plans to implement a human rights screening process. However, we will take such measures should the need arise.

HR2 – Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken

We expect all potential business partners to adhere to the same stringent set of values that AEM holds itself to (as outlined in our Code of Business Conduct and Ethics). In the induction process, all contractors must agree to the terms laid out in the code of conduct. We are currently working on an "AEM Code of Sustainable Conduct" in which human rights will be explicitly covered. Once implemented, the "AEM Code of Sustainable Conduct" will also be incorporated into the inductions for both employees and contractors.

HR3 – Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees so trained

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Did this mine provide training to its employees in 2012 on human rights policies or cross-cultural awareness training – yes or no?	no	no	no	no	yes	yes	yes
If yes – how many hours of training were provided?	–	–	–	–	Data not available	720	Data not available
If yes – approximately what percentage of the workforce received this training?	–	–	–	–	Data not available	15.0%	90.0%

Aspect: Non-discrimination

HR4 – Total number of incidents of discrimination and actions taken

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
In 2012, at this minesite were there any formal complaints of discrimination or harassment submitted by employees or contract employee – yes or no?	–	–	–	yes	yes	yes	no
If yes – was the incident investigated and what was the outcome?	–	–	–	Resignation	Data not available	Investigated and settled	–
How many incidents were investigated? (please list outcome)	–	–	–	2	Data not available	2	–

Note:

Agnico Eagle Mines is currently in the process of updating some of its policies to include more explicit guidelines on human rights and discrimination. We ensure compliance with our current anti-discrimination policy in the Code of Business Conduct and Ethics throughout our operations with our whistleblower hotline. Each quarter, a report is submitted to the Audit Committee outlining the number of complaints received since the previous report.



Aspect: Freedom of Association and Collective Bargaining

HR5 – Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	Not at risk	Not at risk	Not at risk	Not at risk	Not at risk	Not at risk	Not at risk

Note:
Agnico Eagle does not operate in any jurisdictions where our employees' right to exercise freedom of association or collective bargaining is at significant risk. As such, no action plans have been required by the Company.

Aspect: Child Labour

HR6 – Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	Not at risk	Not at risk	Not at risk	Not at risk	Not at risk	Not at risk	Not at risk

Aspect: Forced and Compulsory Labour

HR7 – Operations identified as having significant risk for incidents of forced labour or compulsory labour, and measures taken to contribute to the elimination of forced or compulsory labour

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	Not at risk	Not at risk	Not at risk	Not at risk	Not at risk	Not at risk	Not at risk



Aspect: Security Practices

HR8 – Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
At this mine, what percentage of the mine's security personnel have received training in human rights policies and cross-cultural awareness?	0%	0%	0%	0%	Data not available	0%	N/A

MM5 – Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples' communities

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos ¹	Meadowbank ²	Exploration
Operation adjacent or on indigenous peoples' territory	no	no	no	no	no	yes	–
Formal agreements in place	no	no	no	no	no	yes	–

¹The Pinos Altos site is situated on collective lands (ejidos). Agreements with these land owners were signed prior to any activity on site.

²The Meadowbank mine is on Inuit Owned Land. AEM operates at Meadowbank with full consent of the Inuit through several formal agreements, specifically an Inuit Impact and Benefit Agreement, a Water Compensation Agreement, a Commercial Land Lease and a Production Agreement that includes payment of royalties to the Inuit.

Aspect: Indigenous Rights

HR9 – Total number of incidents of violations involving rights of indigenous people and actions taken

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
In 2012, at this mine were there any reported incidents of violations involving rights of indigenous peoples – yes or no?	no	no	no	no	no	no	no
If yes – what actions were taken?	–	–	–	–	–	–	–



GRI Society Performance Indicators

Aspect: Community

SO1 – Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting

In northwestern Quebec (LaRonde, Goldex and Lapa), we have a community engagement plan that addresses ongoing dialogue on all issues related to our presence in the local communities through engagement with the local government representatives. Mine closure is regulated by the Government of Quebec.

At Kittila (Northern Finland), we have a similar community engagement plan that addresses ongoing dialogue on all issues related to our presence in the local communities through engagement with the regional government (municipal Kittila Regional Council) and with the governing bodies for the state of Lapland. Mine closure is regulated by the government.

At Pinos Altos (northern Mexico), we have a similar community engagement plan that addresses ongoing dialogue on all issues related to our presence in the local communities. We engage regularly with the governing groups or community elders in the local communities and villages to address all issues.

At Meadowbank, we have a community engagement plan that addresses ongoing dialogue with the seven communities that make up the Kivalliq region of Nunavut. In the nearest community (Baker Lake), we engage through ongoing discussions with the Hamlet of Baker Lake council and through regularly scheduled meetings with a Community Liaison Committee formed to allow AEM to fully engage the wider community groups in Baker Lake. We meet through community visits to the other communities to discuss issues related to our presence in the region. We also have formal community engagement assessment programs that form part of our IIBA with the Kivalliq Inuit Association and engagement through our ongoing participation on the Kivalliq Socio-Economic Monitoring Committee created and sustained by the Government of Nunavut to track the socio-economic impacts of mining in this region of Nunavut..

MM6 – Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	none	none	none	none	none	none	none

Aspect: Corruption

SO2 – Percentage and total number of business units analyzed for risks related to corruption

In 2012, we conducted a Fraud Risk Assessment for AEM as a whole, company-wide. The risk assessment was based on interviews with individuals across many levels and at all the divisions as well as head office. Interviews were used to highlight potential scenarios that related to fraud and, by extension, corruption. These scenarios were then assessed in terms of their likelihood, the impact (financial and reputational) and the inherent risk. From this we identified the relevant controls we have in place, to determine the extent of the remaining risk. Recommendations were provided to address some of the relevant risks.

MM7 – The extent to which grievance mechanisms were used to resolve disputes relating to land use and customary rights of local communities and indigenous peoples, and the outcomes

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	None required in 2012	None required in 2012	None required in 2012	None required in 2012	None required in 2012	None required in 2012	None required in 2012



MM8 – Number (and percentage) of Company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Operating sites where ASM takes place on, or adjacent to, the site as a number and as a percentage of the Company's total operating sites	none	none	none	none	none	none	none
Nature of the risks and the actions taken to manage and mitigate them	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MM8 – Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Number of households involved in any resettlement program	none	14	none	none	none	none	none
Number of individuals impacted directly by resettlement, or an informed estimate of the number	none	30	none	none	none	none	none
Consultation processes and measures put in place to re-establish the affected community, to mitigate any impacts of relocation, and the outcomes in terms of livelihoods, including sustainable land use	none	We worked hand in hand with each household to mitigate any impacts of relocation	none	none	none	none	none
Significant disputes related to resettlement and the processes employed to resolve outstanding issues	none	none	none	none	none	none	none

MM10 – Number and percentage of operations with closure plans

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Does this minesite have a completed closure and reclamation plan?	yes	yes	yes	yes	yes	yes	N/A
Has it been submitted to the regulatory authorities for approval?	yes	yes	yes	yes	yes	yes	N/A
Has the plan been formally approved by the regulatory authority?	yes	yes	no	yes	yes	yes	N/A

MM10a – Significant incidents involving communities in which grievance mechanisms have been invoked to address them, together with their outcomes

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
In 2012, were there any formal grievances submitted to the mine by local communities – yes or no?	no	no	no	no	no	no	no
If yes – please provide details about the grievance and actions taken to resolve the complaint	–	–	–	–	–	–	–


MM11 – Number and description of incidents affecting employees, communities or the environment in which emergency preparedness procedures were activated

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Were there any incidents affecting employees, communities or the environment that occurred at this mine in 2012 where the mine's emergency preparedness procedures were activated – yes or no?	no	no	no	no	no	no	no

SO3 – Percentage of employees trained in organization's anti-corruption policies and procedures

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	100%	100%	100%	100%	100%	100%	100%

Note:
All staff (salaried employees) receive training on the Company's ethics policies (includes anti-corruption policies and procedures) and must periodically certify that they have received such training. This is in place at all of AEM's locations.

SO4 – Actions taken in response to incidents of corruption

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	None required in 2012	None required in 2012	None required in 2012	None required in 2012	None required in 2012	None required in 2012	None required in 2012

Aspect: Public Policy
SO5 – Public policy decisions and participation in public policy development and lobbying

AEM participates in influencing public policy through its membership in the Mining Association of Canada, the Mining Association of Quebec, the NWT & Nunavut Chamber of Mines, the Prospectors and Developers Association of Canada, and other industry associations to which it publicly belongs. In Mexico, we are a member of the Canadian Mexican Chamber of Mines. In Finland, we are a member of the Finnish Association for Extractive Industries "Kaivannaisteollisuus Ry – FinnMin". We are also a member of the European Association of Mining Industries, Metal Ores & Industrial Minerals (Euromines) through our Finnish subsidiary Agnico Eagle Finland Oy. The Company does actively engage in lobbying government outside of these associations.

SO6 – Total value of financial and in-kind contributions to political parties, politicians and related institutions by country

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Did the mine make any financial or in-kind contributions to political parties, politicians, or related institutions in 2012 – yes or no?	no	no	no	no	no	no	no

Aspect: Anti-Competitive Behaviour
SO7 – Total number of legal actions for anti-competitive behaviour and anti-trust or monopoly practices, and their outcomes

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	none	none	none	none	none	none	none



Aspect: Compliance

SO8 – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
	none	none	none	none	none	none	none

GRI Product Responsibility Performance Indicators

M11 – Programs and progress relating to materials stewardship

AEM currently does not have any policies or procedures for improving efficiencies and sustainability throughout procurement, production, use and disposal processes. We expect all of our business partners to hold themselves to the same standards as AEM does (as outlined in the Code of Business Conduct and Ethics and the Code of Sustainable Conduct once it is an official AEM policy.)

Aspect – Customer Health and Safety

PR1 – Life cycle stages in which health and safety impacts of products and services are assessed for improvements, and percentages of significant products and services categories subject to such procedures

AEM has not reported directly on this GRI indicator for the following reasons: 1) AEM is a primary gold producer and does not market its product and/or services directly to the final consumer. Our gold is typically sold to a third party such as a financial institution or brokerage which then sells it. Consequently, AEM does not generate a final consumer product and thus does not actively participate in assessing the life cycle stages in which health and safety impacts are assessed; and 2) AEM is a member of the World Gold Council and fully endorses the principles put forward by the Responsible Jewelry Initiative of the World Gold Council, and through this means ensures that its product is used in a responsible manner to the extent practical within the management control of the Company.

PR2 – Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
The total number of incidents of non-compliance with the health and safety of products and services, broken down by incidents of non-compliance with regulations resulting in a fine or penalty	none	none	none	none	none	none	none
The total number of incidents of non-compliance with the health and safety of products and services, broken down by incidents of non-compliance with regulations resulting in a warning	none	none	none	none	none	none	none
The total number of incidents of non-compliance with the health and safety of products and services, broken down by incidents of non-compliance with voluntary codes	none	none	none	none	none	none	none



Aspect – Product and Service Labelling

PR1 – Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements

AEM has not reported data against this Performance Indicator, as in our view this indicator is not relevant to our specific business case. AEM does not create a final product that is marketed directly to a consumer. We ship a doré bullion to a refiner. The doré is shipped with appropriate MSDS information. We do not market a final consumer product and thus final labelling requirements are not relevant. We do provide information to the refiner receiving our doré on the content and makeup of our doré bullion.

PR4 – Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
The total number of incidents of non-compliance with regulations concerning product and service information and labelling, broken down by incidents of non-compliance with regulations resulting in a fine or penalty	none	none	none	none	none	none	none
The total number of incidents of non-compliance with regulations concerning product and service information and labelling, broken down by incidents of non-compliance with regulations resulting in a warning	none	none	none	none	none	none	none
The total number of incidents of non-compliance with regulations concerning product and service information and labelling, broken down by incidents of non-compliance with voluntary codes	none	none	none	none	none	none	none

PR5 – Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Organization-wide practices in place to assess and maintain customer satisfaction	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Results or key conclusions of surveys conducted that were related to the organization as a whole, a major product/service category or significant locations of operation	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Aspect – Marketing Communications

PR6 – Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship

AEM has not reported data against this Performance Indicator, as in our view this indicator is not relevant to our specific business case. AEM does not create a final product that is marketed directly to a consumer. Consequently, we do not participate in marketing, advertising or promotion of a consumer product. We adhere to international standards relating to the responsible use of gold through our participation in the World Gold Council and the Responsible Jewelry Initiative.

PR7 – Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
The total number of incidents of non-compliance with regulations concerning marketing communications, broken down by incidents of non-compliance with regulations resulting in a fine or penalty	none	none	none	none	none	none	none
The total number of incidents of non-compliance with regulations concerning marketing communications, broken down by incidents of non-compliance with regulations resulting in a warning	none	none	none	none	none	none	none
The total number of incidents of non-compliance with regulations concerning marketing communications, broken down by incidents of non-compliance with voluntary codes	none	none	none	none	none	none	none

PR8 – Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration
Total number of substantiated complaints received concerning breaches of customer privacy, categorized by complaints received from outside parties and substantiated by the organization	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total number of substantiated complaints received concerning breaches of customer privacy, categorized by complaints from regulatory bodies	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total number of identified leaks, thefts or losses of customer data	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Aspect – Compliance

PR9 – Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

None – AEM was not charged or fined at any of its six operating mines in 2011 for non-compliance with laws and regulations concerning the provision and use of its products or services



Towards Sustainable Mining Initiative – AEM Self-Assessment for 2012

Tailings Management Reporting Assessment	Kittila	Lapa ¹	LaRonde	Meadowbank	Pinos Altos
TM1 Tailings management policy and commitment	B	N/A	B	A	B
TM2 Tailings management system	B	N/A	A	B	B
TM3 Assigned accountability and responsibility for tailings management	A	N/A	A	A	B
TM4 Annual tailings management review	B	N/A	A	A	A
TM5 Operating, maintenance and surveillance manual for tailings and water management facilities	B	N/A	AA	C	A

¹Lapa has no tailings facility.

Energy Use and GHG Emissions Management Assessment	Kittila	Lapa	LaRonde	Meadowbank	Pinos Altos
EU1 Energy use management system	C	B	C	C	B
EU2 Energy use reporting system	B	A	A	B	A
EU3 Energy use intensity performance target	A	A	C	C	C
GHG1 GHG management system	C	B	C	C	B
GHG2 GHG reporting system	A	A	A	B	B
GHG3 GHG emissions intensity performance targets	C	A	C	C	B

Aboriginal and Community Assessment	Kittila	Lapa	LaRonde	Meadowbank	Pinos Altos
EO1 Community of interest identification	A	A	AA	B	A
EO2 Effective community of interest engagement and dialogue	B	A	B	B	A
EO3 Community of interest response mechanism	B	A	B	B	AA
EO4 Reporting	B	A	B	B	AA



Crisis Management Planning Assessment		Kittila	Lapa	LaRonde	Meadowbank	Pinos Altos
CM1	Crisis Management Plan (CMP) exists	Y	Y	Y	Y	Y
CM2	CMP reviewed regularly	Y	Y	Y	N	Y
CM3	Training on crisis management	Y	Y	N	N	N
Biodiversity Conservation Management Assessment		Kittila	Lapa	LaRonde	Meadowbank	Pinos Altos
BC1	Corporate biodiversity conservation policy, accountability and communications	C	B	C	C	C
BC2	Facility-level biodiversity conservation planning and implementation	C	C	C	AA	A
BC3	Biodiversity conservation reporting	C	C	C	AA	B
Health and Safety Management Assessment		Kittila	Lapa	LaRonde	Meadowbank	Pinos Altos
HS1	Policy, commitment and accountability	C	A	AA	AA	A
HS2	Planning, implementation and operation	B	A	A	C	B
HS3	Training, behaviour and culture	B	B	B	B	A
HS4	Monitoring and reporting	B	A	A	AA	A
HS5	Performance	B	A	A	AA	B



Feedback

How do we measure up?

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

Corporate Contact

Executive and Registered Office
Agnico Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario
Canada M5C 2Y7
CSR@agnicoeagle.com
Tel: 416-947-1212
Toll free: 888-822-6714
Fax: 416-367-4681

CSR Contact

Investor Relations
Tel: 416-947-1212
Toll free: 888-822-6714
Fax: 416-367-4681
csr@agnicoeagle.com

Human Resources

For human resources contacts, please visit our Careers section.

Agnico Eagle Mines Limited

145 King Street East, Suite 500
Toronto, Ontario
Canada M5C 2Y7



Glossary

Absentee: An employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity/ paternity and compassionate leave are excluded.

Absentee rate: Refers to a measure of actual absentee days lost as defined above, expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

Anti-competitive behaviour: Actions of the reporting organization and/or employees that may result in collusion with potential competitors to fix prices, coordinate bids, create market or output restrictions, impose geographic quotas, or allocate customers, suppliers, geographic areas, and product lines with the purpose of limiting the effects of market competition.

Anti-trust and monopoly practices: Actions of the reporting organization that may result in collusion to erect barriers to entry to the sector, unfair business practices, abuse of market position, cartels, anti-competitive mergers, price-fixing, and other collusive actions which prevent competition.

Area protected: Area that is protected from any harm during operational activities, and the environment remains in its original state with a healthy functioning ecosystem.

Area restored: Area that was used during or affected by operational activities, and where remediation measures have either restored the environment to its original state or to a state that is a healthy and functioning ecosystem.

Areas of high biodiversity value: Areas not subject to legal protection but recognized for important biodiversity features by a number of governmental and non-governmental organizations. These include habitats that are a priority for conservation (often defined in National Biodiversity Strategies and Action Plans prepared under the Convention on Biological Diversity). In addition, several international conservation organizations have identified particular areas of high biodiversity value.

Artisanal and small-scale mining (ASM): Broadly speaking, artisanal and small-scale mining refers to mining by individuals, groups, families or cooperatives with minimal or no mechanization, often in the informal (illegal) sector of the market.

Backfill: Waste material used to fill the void created by mining an orebody.

Basel Convention Annex I, II, III and IV: International treaty that was designed to reduce the movement of hazardous waste between nations, and specifically to prevent transfer of hazardous waste from developed to less developed countries (LDCs).

Basic salary: A fixed, minimum amount paid to an employee for performing his/her duties. This does not include any additional remuneration such as that based on years of service, overtime work, bonuses, benefit payments, or any additional allowances (e.g., transportation allowances).



Benefits: This refers to either direct benefit provided in the form of financial contributions, care paid for by the reporting organization, or the reimbursement of expenses borne by the employee. Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements could also be included under this Indicator. In-kind benefits such as provision of sports or child day care facilities, free meals during working time, and similar general employee welfare programs are excluded from this Indicator.

Breach of customer privacy: Covers any non-compliance with existing legal regulations and (voluntary) standards of which the reporting organization is a member regarding the protection of customer privacy.

Carbon dioxide equivalent: CO₂ (carbon dioxide) equivalent is the measure used to compare the emissions from various greenhouse gases based on their global warming potential (GWP). The CO₂ equivalent for a gas is derived by multiplying the tonnes of the gas by the associated GWP.

Career endings: Retirement by reaching statutory national retiring age or termination in the face of restructuring.

CFC-11 equivalent: CFC-11 is a measure used to compare various substances based on their relative ozone depletion potential. The reference level of 1 is the potential of CFC-11 and CFC-12 to cause ozone depletion.

Child: This term applies to all persons under the age of 15 years or under the age of completion of compulsory schooling (whichever is higher), except in certain countries where economies and educational facilities are insufficiently developed and a minimum age of 14 years might apply. These countries of exception are specified by the ILO in response to special application by the country concerned and consultation with representative organizations of employers and workers.

CIL: Carbon in Leach (CIL) is a method of gold recovery in which activated carbon particles circulate in leach solution where they adsorb the gold.

Closure plans: Documentation prepared to guide the deactivation, stabilization and surveillance of a waste management unit or facility under the Resource Conservation and Recovery Act.

Continued employability: Adaptation to the changing demands of the workplace through the acquisition of new skills.

Contributions: Contributions can include donations, loans, sponsorships, purchase of tickets for fundraising events, advertising, use of facilities, design and printing, donation of equipment, retainers or jobs for elected politicians or candidates for office, etc.

Dikes: Embankments built to confine water and solids.

Direct emissions: Emissions from sources that are owned or controlled by AEM. For example, direct emissions related to combustion would arise from burning fuel for energy within AEM's operational boundaries.

Direct energy: Forms of energy that enter the reporting organization's operational boundaries. It can be consumed either by the organization within its boundaries, or it can be exported to another user. Direct energy can appear in either primary (e.g., natural gas for heating) or intermediate (e.g., electricity for lighting) forms. It can be purchased or extracted (e.g., coal, natural gas, oil).

Discrimination: The act and the result of treating a person unequally by imposing unequal burdens or denying benefits rather than treating the person fairly on the basis of individual merit. Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.

Disposal method: The method by which waste is treated or disposed, including composting, reuse, recycling, recovery, incineration, landfill, deep well injection, and on-site storage.

doré: The final saleable product of a gold mine, usually consisting of gold and silver.

Economic impact: A change in the productive potential of the economy that can have an influence on a community's or stakeholder's well-being and longer-term prospects for development.

Effluents: "effluent" means an effluent – hydrometallurgical facility effluent, milling facility effluent, mine water effluent, tailings impoundment area effluent, treatment pond effluent – that has been treated and then discharged into the surrounding environment.

Employee wages and benefits: Total payroll is defined as the total monetary outflows for employees (current payments, not future commitments) and would include employee salaries, amounts paid to government institutions (employee taxes, levies, and unemployment funds) on behalf of employees, benefits, and regular contributions (e.g., to pensions and insurance).



Employment contract: An employment contract as recognized under national law or practice that may be written, verbal or implicit (i.e., when all the characteristics of employment are present but without a written or witnessed verbal contract).

Employment types: Full time: A “full time employee” is defined according to national legislation and practice regarding working time (e.g., national legislation defines that “full time” means a minimum of nine months per year and a minimum of 30 hours per week).

Part time: A “part time employee” is an employee whose working hours per week, month or year are less than “full time” as defined above.

Entry level wage: Entry level wage should be defined by the full time wage offered to an employee in the lowest employment category. Intern or apprentice wages should not be considered.

External Environmental Audit: Number of environmental audits carried out by external firms.

Fatality: The death of a worker occurring in the current reporting period, arising from an occupational injury or disease sustained or contracted while in the reporting organization’s employ.

Fixed term or temporary contract: A fixed term contract is a contract of employment as defined above that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed.

A temporary contract of employment is of limited duration and terminated by a specific event, including the end of a project or work phase, return of replaced personnel, etc.

Forced or compulsory labour: All work and service that is exacted from any person under the menace of any penalty and for which the said person has not offered her/himself voluntarily (ILO Convention 29, Forced Labour Convention, 1930). The most extreme examples are slave labour, prison labour and bonded labour, but debts can also be used as a means of maintaining workers in a state of forced labour. Withholding identity papers, requiring deposits, or compelling workers under threat of firing to work extra hours to which they have not previously agreed, are all examples of forced labour.

Formal agreements: Written documents signed by both parties declaring a mutual intention to abide by what is contained in the documents. These can include, for example, local collective bargaining agreements as well as national and international framework agreements.

Freedom of association: Workers and employers may establish and join organizations of their own choosing without the need for prior authorization.

GHG (greenhouse gases): Any of the atmospheric gases that contribute to the greenhouse effect. The six main greenhouse gas emissions are:

- Carbon dioxide (CO₂);
- Methane (CH₄);
- Nitrous oxide (N₂O);
- Hydrofluorocarbons (HFCs – a group of several compounds);
- Perfluorocarbons (PFCs – a group of several compounds); and
- Sulphur hexafluoride (SF₆).

GHG intensity: GHG intensity is AEM’s direct GHG emissions divided by the tonnes of ore milled or processed. The GHG intensity measures our greenhouse gas emissions as it relates to the quantity of material processed.

Governance bodies: The committees or boards responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders.

GRI: Global Reporting Initiative.

Health and Safety External Audit: Number of health and safety audits carried out by external firms.

Health and Safety Internal Audit: Number of health and safety audits by division, inter-division or corporate personnel.

Heap leach: A process whereby valuable metals, usually gold and silver, are leached from a heap, or pad, of crushed ore by leaching solutions percolating down through the heap and collected from a sloping, impermeable liner below the pad.

Heap leach: Gold ore processing with cyanide can also be performed on lined pads – a process called heap leach. Gold-bearing ore is placed on a liner (typically high-density polyethylene, “HDPE”) and a cyanide solution is allowed to leach through the “heap” and extract the gold.

Human rights clauses: Specific terms in a written agreement that define minimum expectations of performance with respect to human rights as a requirement for investment.



Human rights screening: A formal or documented process that applies a set of human rights performance criteria as one of the factors in determining whether to proceed with an investment.

IIBA (Inuit Impact Benefit Agreement): These agreements are mechanisms for establishing formal relationships between mining companies and local communities.

Impacts of operations: This refers primarily to social impacts, such as:

- Community health and safety regarding infrastructure, hazardous materials, emissions and discharges, and health and disease;
- Involuntary resettlement, physical and economic displacement, and livelihood restoration; and
- Local culture, gender, indigenous peoples, and cultural heritage.

This definition excludes impacts covered by other Indicators, such as EN10 (water sources/habitats affected by water use), EN12 (areas with high biodiversity value), and LA8 (serious diseases). It also excludes voluntary contributions (in-kind and cash) to communities.

Indefinite or permanent contract: A permanent contract of employment is a contract with an employee for full time or part time work for an indeterminate period.

Indicators of diversity: Indicators for which the reporting organization gathers data may include, for example, citizenship, ancestry and ethnic origin, creed, and disability.

Indigenous peoples: Indigenous peoples are those whose social, cultural, political and economic conditions distinguish them from other sections of the dominant national community, or who are regarded as indigenous on account of their descent from the populations who inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.

Indirect economic impact: An additional consequence of the direct impact of financial transactions and the flow of money between an organization and its economic impact.

Indirect emissions: Emissions that result from the activities of AEM but are generated at sources owned or controlled by another organization. In the context of this Indicator, indirect emissions refer to greenhouse gas emissions from the generation of electricity, heat or steam that is imported and consumed by AEM.

Indirect energy: Energy produced outside the reporting organization's organizational boundary that is consumed to supply energy for the organization's intermediate energy needs (e.g., electricity or heating and cooling).

Infrastructure: Facilities built primarily to provide a public service or good (e.g., water supply facility, road, school or hospital) rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit.

Injury: A non-fatal or fatal injury arising out of or in the course of work.

Injury rate: The frequency of injuries relative to the total time worked by the total workforce in the reporting period.

Internal cofferdam: A cofferdam is a type of watertight construction designed to facilitate construction projects in areas that are normally submerged, such as bridges and piers. A cofferdam is installed in the work area and water is pumped out to expose the bed of the waterbody so that workers can construct structural supports, enact repairs, or perform other types of work in a dry environment.

Internal Environmental Audit: Number of health and safety audits by division, inter-division or corporate personnel.

IUCN Red List species: An inventory of the global conservation status of plant and animal species developed by the International Union for the Conservation of Nature and Natural Resources (IUCN).

Lifelong learning: Acquiring and updating abilities, knowledge, qualifications and interests throughout life, from preschool years to post-retirement.

Light duty accident: Modified job requirements to meet short-term disabilities as prescribed by the City contract physician.

Lobbying: Refers to efforts to persuade or influence persons holding political office, or candidates for such office, to sponsor policies and/or to influence the development of legislation or political decisions. In this Indicator, lobbying can relate to lobbying governments at any level or international institutions.



Local: Local refers to individuals either born in or who have the legal right to indefinitely reside in (e.g., naturalized citizens or permanent visa holders) the same geographic market as the operation. For AEM, local is defined as the geographic or economic region in which the mine is located, such as Northern Quebec for the Abitibi region, Chihuahua State for Pinos Altos, Lapland for Kittila, Nunavut for Meadowbank.

Local minimum wage: Minimum wage refers to compensation per hour or other unit of time for employment allowed under law. Since some countries have numerous minimum wages (e.g., by state/province or by employment category), identify which minimum wage is being used.

Locally based suppliers: Providers of materials, products and services that are based in the same geographic market as the AEM minesite (i.e., no trans-national payments to the supplier are made). For AEM, local is defined as the geographic or economic region in which the mine is located, such as Northern Quebec for the Abitibi region, Chihuahua State for Pinos Altos, Lapland for Kittila, Nunavut for Meadowbank.

Lost day: Time (in “days”) that could not be worked (and is thus “lost”) as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease. A return to limited duty or alternative work for the same organization does not count as lost days.

Lost day rate: The impact of occupational accidents and diseases as reflected in time off work by the affected workers. It is expressed by comparing the total lost days to the total number of hours scheduled to be worked by the workforce in the reporting period.

Lost-time accident: Accident resulting in personnel not being able to work as a result of their injury.

MSDS: A material safety data sheet (MSDS) is a form containing data regarding the properties of a particular substance.

NP tailings: Neutralization potential of tailings.

Number of HSE audits carried out: Internal and external audits carried out at the division: health and safety audits, environmental audits.

Occupational disease: A disease arising from the work situation or activity (e.g., stress or regular exposure to harmful chemicals) or from a work-related injury.

Occupational disease rate: The frequency of occupational diseases relative to the total time worked by the total workforce in the reporting period.

Overburden: The material that lies above the area of economic or scientific interest (in mining and archaeology), e.g., the rock, soil and ecosystem that lie above the coal seam or orebody. It is also known as “waste.” Overburden is distinct from tailings, the material that remains after economically valuable components have been extracted from the generally finely milled ore. Overburden is removed during surface mining, but is typically not contaminated with toxic components and may be used to restore an exhausted mining site to a semblance of its appearance before mining began. Overburden may also be used as a term to describe all soil and ancillary material above the bedrock horizon in a given area.

Ozone-depleting substances: Any substance with an ozone depletion potential (ODP) greater than 0 that can deplete the stratospheric ozone layer. Most ozone-depleting substances are controlled under the Montreal Protocol and its amendments, and include CFCs, HCFCs, halons, and methyl bromide.

Payments to providers of capital: Dividends to all shareholders and interest payments made to providers of loans. This includes interest on all forms of debt and borrowings (not only long-term debt) and also arrears of dividends due to preferred shareholders.

Permafrost: Permanently frozen subsoil occurring throughout the polar regions and locally in perennially frigid areas.

Primary Energy Source: The initial form of energy consumed to satisfy the reporting organization’s energy demand. This energy is used either to provide final energy services (e.g., space heating, transport) or to produce intermediate forms of energy, such as electricity and heat.

Protected area: A geographically defined area that is designated, regulated or managed to achieve specific conservation objectives.

Public policy development: Organized or coordinated activities to effect government policy formulation.

Reclamation: The restoration of a site after mining or exploration activity is completed.

Regular performance and career development review: Performance targets and reviews are based on criteria known to the employee and his/her superior. This review is undertaken with the knowledge of the employee at least once per year. It can include an evaluation by the employee’s direct superior, peers or a wider range of employees. The review may also involve personnel from the human resources department.



Related institutions: Any bodies established with the primary purpose of arranging official or unofficial funding support for political parties, their elected representatives, or persons seeking political office. This definition also includes think-tanks, policy organs, trade associations, and other support organizations that are linked to the creation of support for political parties, their representatives or candidates for office.

Risk control: Practices that seek to limit exposure and transmission of diseases.

Security personnel: Individuals employed for the purposes of guarding property of the organization, crowd control, loss prevention, and escorting persons, goods and valuables.

Sedimentation basin: A basin or tank in which water or waste water containing settleable solids is retained to remove by gravity a part of the suspended matter. Also called sedimentation tank, settling basin, settling tank.

Serious diseases: Occupational or non-occupational related impairment of health with serious consequences for employees, their families and communities, such as HIV/AIDS, diabetes, RSI and stress.

Services supported: Providing a public benefit either through direct payment of operating costs or through staffing the facility/service with the reporting organization's own employees. Public benefit can also include public services.

Significant air emissions: Air emissions that are regulated under international conventions and/or national laws or regulations, including those listed on environmental permits for the reporting organization's operations.

Significant financial assistance: Significant direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred. The provider of financial assistance does not expect a direct financial return from the assistance offered. Typical types of assistance include: tax reliefs/credits, subsidies, investments grants, research and development grants, and other relevant type of awards; royalty holidays; financial assistance from Export Credit Agencies (ECAs), financial incentives, other financial benefits received or receivable from any government or government agencies.

Significant impact: Impacts that may adversely affect the integrity of a geographical area/region, either directly or indirectly. This occurs by substantially changing its ecological features, structures and functions across its whole area and over the long term. This means that the habitat, its population level, and/or the particular species that make that habitat important cannot be sustained. On a species level, a significant impact causes a population decline and/or change in distribution so that natural recruitment (reproduction or immigration from unaffected areas) cannot return to former levels within a limited number of generations. A significant impact can also affect subsistence or commercial resource use to the degree that the well-being of users is affected over the long term.

Significant location of operations: Locations where single-market revenues, costs, stakeholder payments, production or employee numbers represent a significant share of the organization's global total, and are sufficient to be particularly important to decision making by the organization or its stakeholders. Combined, these locations would likely represent the majority of the above figures. Reporting organizations should identify and explain the specific criteria used to determine what is significant. Reporting organizations should use International Accounting Standard 14 (IAS14) as a reference in defining significant locations of operation.

Significant operational changes: Alterations to the reporting organization's pattern of operations that will have substantial positive or negative consequences for its employees. Such changes may include, for example, restructuring, outsourcing of operations, closures, expansions, new openings, takeovers, sale of all or part of the organization, or mergers.

Significant spills: All spills that are included in AEM's financial statement (due to resulting liabilities, for example) or recorded as a spill by AEM.

Significant suppliers and contractors: External parties from whom products or services are obtained or with whom contracts are concluded for the provision of such products and services. In the context of this Indicator, "significant" refers to suppliers and contractors who are:

- The primary providers of a given type of good or service and overall comprise the majority of the organization's purchases; or
- Identified as having the highest risk of incidents related to human rights.



Skills management: Policies and programs that focus on developing employees' skills to meet the evolving strategic needs of the organization and/or industry.

Sludge: Sludge is produced from the treatment of waste water, since the primary aim of waste water treatment is removing solids from the waste water.

Spill: Accidental release of a hazardous substance that can affect human health, land, vegetation, waterbodies and groundwater.

Substantiated complaint: Written statement by a regulatory or similar official body addressed to the reporting organization that identifies breaches of customer privacy; or a complaint lodged with the organization that has been recognized as legitimate by the organization.

Tailings: Tailings are what is left of the ore after the extraction of gold or other minerals of value.

Total volume and percentage of water recycled and reused: Total volume of water recycled in the mill process or in the mine from: tailings pond, mine dewatering (open pit and underground), collected contaminated surface drainage; and the ratio of this volume to the total volume withdrawn expressed in percentage.

Examples:

1. LaRonde – The recycled water is the water pumped from the tailings pond to feed the mill (reuse of mine water within the mine is not included because it is not possible to calculate).
2. Lapa – The recycled water is the water pumped from the sedimentation pond to the mine (reuse of mine water within the mine is not included because it is not possible to calculate).
3. Goldex – The recycled water is the water from mine dewatering and from Parc Sud that is reused at the mill (reuse of mine water within the mine is not included because it is not possible to calculate).
4. Kittila – The recycled water is the water from the NP and CIL ponds that is recycled to the mill, and water from the open pit sedimentation pond recycled to the mill.
5. Pinos Altos – The recycled water is the water pumped from the mine dewatering and used at the mill.
6. Meadowbank – The recycled water is the water pumped from the tailings pond back to the mill.

Total water discharge by destination and quality (AEM definition): The sum of water effluents discharged over the course of the reporting period to subsurface waters, surface waters, sewers that lead to rivers, oceans, lakes, wetlands, treatment facilities and groundwater either through:

- A defined discharge point (point source discharge);
- Over land in a dispersed or undefined manner (non-point source discharge); or
- Waste water removed from the reporting organization via truck. Discharge of collected rainwater and domestic sewage is not regarded as water discharge.

AEM Examples:

1. LaRonde – Water discharged comprises final effluent discharged from pond 3A (biological and chemical treatment).
2. Lapa – Water discharged comprises: a) final effluent from sedimentation pond (chemical treatment); b) discharge from Bionest (biological treatment).
3. Goldex – Water discharged comprises: a) effluent from mine sedimentation pond (sedimentation); b) effluent from Parc Sud (sedimentation); c) effluent from sewage treatment plant if measured.
4. Kittila – Water discharge comprises: a) water from NP pond effluent (sedimentation); b) water from sewage treatment plant (biological); c) water from UG and open pit sedimentation pond (industrial pond – sedimentation).
5. Pinos Altos – Water discharge comprises effluent from sewage treatment plant.
6. Meadowbank – Water discharge comprises water discharge.



Total water withdrawal by source: The sum of all water drawn for any use at the mine over the course of the reporting period from all sources: surface water (lake, river, etc.), groundwater (pumping wells for drinking water or other uses), municipal water supply (where it exists).

- Water pumped from underground or open pit for dewatering purposes is excluded.
- Surface water transferred from one watershed to another, either by diversion channel or pumping, is not considered water use.

Examples:

1. LaRonde – Water withdrawn comprises: a) water pumped from Lake Chassignol; b) water pumped from groundwater well.
2. Lapa – Water withdrawn comprises: a) water from Héva Creek that is used at the mine = water pumped from Queenston pit (which originates from Héva Creek); b) water from water wells.
3. Goldex – Water withdrawn comprises: a) water pumped from Thompson River; b) water pumped from water wells.
4. Kittila – Water withdrawn comprises: a) water pumped from the Seurojoki river; b) water pumped from water wells.
5. Pinos Altos – Water withdrawn comprises water pumped from water wells.
6. Meadowbank – Water withdrawn comprises water pumped from the lake.

Training: Refers to:

- All types of vocational training and instruction;
- Paid educational leave provided by the reporting organization for its employees;
- Training or education pursued externally and paid for in whole or in part by the reporting organization; and
- Training on specific topics such as health and safety.

Training does not include on-site coaching by supervisors.

Transportation of the members of the organization’s workforce: Transportation used for commuting to work by members of the workforce or travel for business purposes including air, train, bus and other forms of motorized and non-motorized travel.

TSS concentration: Total suspended solids is a water quality measurement, usually abbreviated TSS.

Turnover: Number of employees who leave the organization voluntarily or due to dismissal, retirement or death in service.

UG: Underground.

Waste rock: Unmineralized, or sometimes mineralized, rock that is not minable at a certain profit.

Young worker: A person who is above the applicable minimum working age and younger than 18 years of age.