

AGNICO EAGLE MINES LIMITED

# The Future Is Mine

2014 SUSTAINABLE DEVELOPMENT REPORT

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

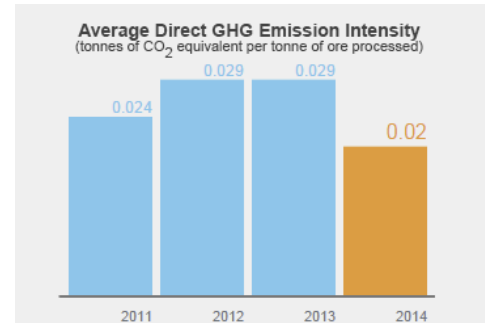


# 2014 Key Highlights

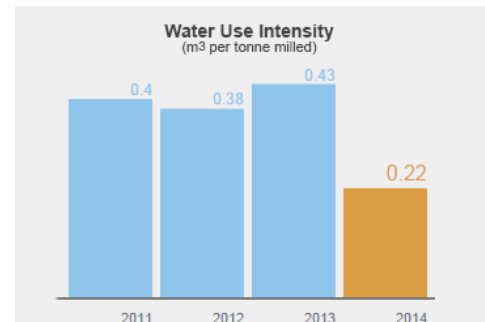
Agnico Eagle improved its performance during the year in the areas of health and safety, water management and community engagement. We also identified opportunities to improve our energy management and greenhouse gas emissions as we move into 2015. We continued working on the implementation of our in-house environmental, health and safety, and community relations management system, which provides a strong framework and tools for continuous performance improvements.

[Click here to read our Forward-Looking Statements.](#)

**GHG Emission Intensity:** Our average greenhouse gas (GHG) emission intensity (tonnes of CO<sub>2</sub> equivalent per tonne of ore processed) for all of our operating mines in 2014 was 0.0204, a 28% reduction from 0.0285 in 2013.



**Water Use Intensity:** Our withdrawal and use of fresh water per tonne of ore milled from all sources averaged 0.32 cubic metres (m<sup>3</sup>), down from 0.43 in 2013. These numbers reflect our continued efforts to improve overall water use intensity.

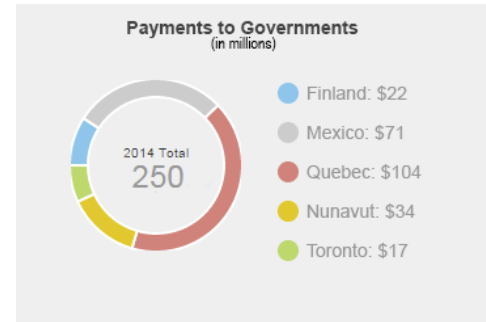


**Local Hires:** The proportion of the mine workforce hired locally is 81%, while the proportion of the mine management team hired locally is 72%.

Workforce Hired from the Local Community

# 81%

**Economic Contributions:** Agnico Eagle paid \$250 million in taxes and royalties to all levels of government, spent just over \$400 million on the procurement of local goods and services and provided over \$362 million in wages and benefits to our global workforce.



**Health and Safety:** We improved our overall health and safety performance, achieving a combined lost-time accident (LTA) frequency of 1.48 – a 13% reduction from the previous year’s performance and substantially below our target rate of 2.1. This is the fourth year in a row we have posted our lowest ever combined LTA rate.

Combined Lost-Time Accident Frequency

**13%** reduction

All funds, unless otherwise specified, are reported in US\$.

# Overview

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Agnico Eagle is determined to contribute positively to the future of our employees and surrounding communities. We do this by creating economic value for our shareholders while operating in a safe and socially and environmentally responsible manner, and 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 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 calibre employees, providing local businesses with additional economic opportunities and, ultimately, 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 over time, 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 sections will be identified with the following icons:



Health and  
Safety



Employees and  
Stakeholders



Economic  
Value



Governance



Environment

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**Overview**

# 2014 Sustainable Development Highlights

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In 2014, we continued to integrate our sustainable development program into all aspects of our business. The following highlights indicate some of our achievements:

**SAFETY**

- Our combined lost-time accident (LTA) frequency was 1.48 – a 13% reduction from the previous year's performance and substantially below our target rate of 2.1. This is the fourth year in a row we have posted our lowest ever combined rate. Unfortunately, after operating 1,370 days without a fatality at all of our operations, a tragic accident took the life of a contractor at our Pinos Altos underground shaft project. A joint investigation of the accident – which happened on November 28 – was carried out with the regulatory authorities and the mining contractor to understand what led to the accident and to prevent a similar occurrence in the future.
- The Quebec Mining Association recognized 20 supervisors from the LaRonde, Lapa and Goldex mines for achieving more than 50,000 hours with their teams without any compensable accidents on their work teams. Additionally, 15 supervisors at the Canadian Malartic mine were recognized for achieving 50,000 to 300,000 hours with their teams without any compensable accidents from July 1, 2013 to June 30, 2014.
- At the Underground Mine Rescue Regional Competition (North Zone Mexico), Creston Mascota's Maintenance Manager, Ruben Lucero, took first place in the BG-4 equipment bench-man event, Creston Mascota's Aguilas Doradas team took second place in the first-aid event, and the Pinos Altos underground mine rescue team finished seventh.
- Agnico Eagle was honoured with a Safety Performance Award at the 2014 Intelex Software User Conference for demonstrating outstanding improvements in health and safety performance.

**EMPLOYEES**

- Meadowbank received an award for Excellence in Information Technology for its online learning management and orientation program. This project, in partnership with Meadowbank's technology provider Ellicom, went on to win the Canadian Silver Award at the Canadian Awards for Training Excellence.
- Agnico Eagle Mexico sites (La India, Pinos Altos and Creston Mascota) were recognized in the "Great Place to Work" rankings for northwest Mexico.

- Each year we honour an Agnico Eagle employee who best exemplifies the legacy of our founder Paul Penna, who believed in supporting the well-being of employees and the communities in which we operate. The 2014 Paul Penna Award went jointly to Charlie Tautuaqjuk of the Meadowbank mine and Megan Difrancescantonio of our Toronto office. Agnico Eagle donated C\$10,000 to the community initiative or charity of choice on behalf of Charlie and Megan. Agnico Eagle also donated C\$2,500 to the community initiative or charity of choice on behalf of each person who was nominated for the Paul Penna Award.

## COMMUNITIES

- Agnico Eagle Mexico was recognized for the seventh consecutive year by the Chihuahuan business foundation “Fundación del Empresariado Chihuahuense A.C.” with an award of distinction for being a “Socially Responsible Company” in 2014.
- The Meadowbank mine was named one of the top Northern Employers by Up Here Business Magazine.
- Agnico Eagle was awarded the top prize in the category of “Responsibility” at the 25th Annual Gala of Elites hosted by the Central-Abitibi Chamber of Commerce and Industry in Amos, Quebec. This award recognizes companies that demonstrate effective management and sound governance of their social responsibility programs. Agnico Eagle’s recent contribution toward an angiography table at the local Eskers Health and Social Services Centre, in particular, was recognized.
- The Goldex mine was recognized for its contribution to the local community by the Val-d’Or Chamber of Commerce, with an award for its “Contribution to Economic Development”.
- Public hearings on our Meliadine project took place in August 2014, in Rankin Inlet, Nunavut. At the hearings, the results of the environmental assessment – both the identified impacts and mitigation measures – were presented to the local population and regulators. The project received acceptance and a Project Certificate was issued by the Nunavut Impact Review Board. This certificate sets out the terms on which the Meliadine project can proceed with applying for permits to construct and operate the mine. The Inuit Impact and Benefit Agreement with the Kivalliq Inuit Association is being finalized.

## ENVIRONMENT

- Our average greenhouse gas (GHG) emission intensity (tonnes of CO<sub>2</sub> equivalent per tonne of ore processed) for all our operating mines in 2014 was 0.0204, a 28% reduction from 0.0285 in 2013. The largest contributor to this reduction was our Meadowbank mine. This remotely located mine produces its own electricity from diesel fuel. In 2014, Meadowbank introduced a new fuel consumption control system that tracks and controls the consumption of each piece of equipment, which reduced overall fuel consumption from 69.8 million litres to 64.3 million litres in 2013.

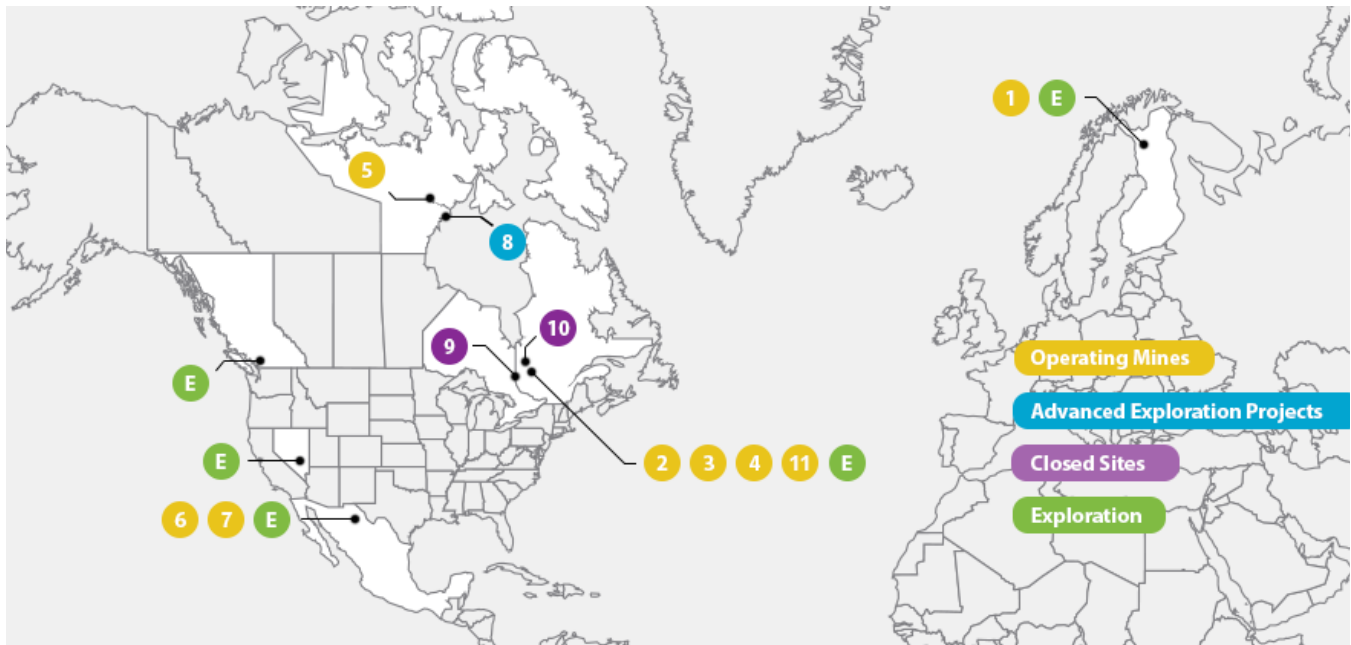
- Three of our operations – Kittila, Meadowbank and Pinos Altos – were audited under the International Cyanide Management Code and were found to be substantially compliant. These sites are now working to resolve the few remaining gaps identified to achieve full compliance. Certification is expected to follow in 2015.
- An infraction was received in February 2014 for a category 3 environmental event that occurred in December 2013 at the LaRonde mine in Quebec when a puncture in the tailings pipeline led to a discharge into a ditch at the periphery of the minesite. The tailings were immediately removed and no further action was necessary. A category 3 event causes moderate, reversible environmental impact with short-term effect and requires moderate remediation.
- The Canadian Malartic mine, in which Agnico Eagle acquired 50% ownership in 2014, received 28 infractions mostly related to noise, blasting fumes and overpressure. This is a 32% reduction from the number of infractions received in 2013.

**Report feedback:** We invite your comments and questions about this report. To learn more, please [visit our website](#) or email us at [SD@agnicoeagle.com](mailto:SD@agnicoeagle.com)

## Overview

# AEM At-a-Glance

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957. Our eight mines are located in Canada, Finland and Mexico, with exploration and development activities in each of these regions, as well as in the United States.



## Northern Business Operating Mines

**1**

### Kittila

Lapland, Finland  
Underground mine, northern Finland

**2014 payable production:** 141,742 ounces of gold

**Employees and contractors:** 728

*Kittila, located in northern Finland, is extracting ore from one of the largest known gold deposits in Europe. Its proven and probable reserves contain 4.5 million ounces of gold (29 million tonnes at 4.9 g/t).*

**2**

### Lapa

Quebec, Canada  
Underground mine in Abitibi region, Quebec

**2014 payable production:** 92,622 ounces of gold

**Employees and contractors:** 313

*Lapa, a small underground operation near LaRonde, has entered its last two years of operation based on the current life-of-mine plan. Proven and probable reserves\* are 170,000 ounces of gold (0.9 million tonnes at 5.8 g/t).*



**3 LaRonde**

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

**2014 payable production:** 204,652 ounces of gold

**Employees and contractors:** 1,042

*LaRonde has proven and probable reserves\* of 3.4 million ounces of gold (21 million tonnes at 5.2 g/t), 19.4 g/t silver, 0.64% zinc and 0.25% copper.*

**4 Goldex**

Quebec, Canada  
Underground mine in Abitibi region, Quebec

**2014 payable production:** 100,433 ounces of gold

**Employees and contractors:** 363

*Goldex has proven and probable reserves\* of almost 0.3 million ounces of gold (7.1 million tonnes at 1.5 g/t).*

**5 Meadowbank**

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

**2014 payable production:** 452,877 ounces of gold

**Employees and contractors:** 1,033

*Meadowbank open pit mine is Agnico Eagle's largest gold producer with 1.2 million ounces of gold in proven and probable reserves\* (12 million tonnes at 3.08 g/t).*

**11 Canadian Malartic**

Quebec, Canada  
Open pit mine in Abitibi region, Quebec

**2014 payable production:** 143,008 ounces of gold (on a 50% basis)

**Employees and contractors:** 955

*Canadian Malartic – in which Agnico Eagle has 50% ownership – is currently Canada's largest operating gold mine. It has 4.33 million ounces of gold in proven and probable reserves\* (127 million tonnes at 1.06 g/t) on a 50% basis.*

## Southern Business Operating Mines

**6 Pinos Altos**

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

**2014 payable production:** 218,861 ounces of gold

**Employees and contractors:** 1,890

*Pinos Altos – including Creston Mascota – has proven and probable reserves\* containing 2.0 million ounces of gold and 49.2 million ounces of silver (24 million tonnes at 2.6 g/t gold and 63.6 g/t silver).*

**7 La India**

Sonora State, Mexico  
Open pit mine with heap leach operation in Mulatos Gold Belt in Sonora State, Mexico

**2014 payable production:** 75,093 ounces of gold

**Employees and contractors:** 424

*La India mine achieved commercial production in February 2014 and has proven and probable reserves\* of 0.7 million ounces of gold (24.9 million tonnes at 0.9 g/t).*

## Advanced Exploration Projects

**8 Meliadine**

Nunavut, Canada  
Advanced-stage gold project in Nunavut Territory, northern Canada, located in Canada's Low Arctic

**Employees and contractors:** 110

*The project has 3.3 million ounces of gold in proven and probable reserves\* (13.9 million tonnes at 7.44 g/t) and a large mineral resource. The Project Certificate for the Meliadine project has been issued setting out the terms and conditions under which the project can proceed. This Certificate allows us to now apply for the various operating permits, licences and authorizations that are required to start construction and operation of a gold mine at Meliadine.*

## Closed Sites

### 9 Cobalt–Coleman Properties

Ontario, Canada

Mining activities ceased in 1989; post-closure monitoring and maintenance are carried out. We are in the process of updating and resubmitting the closure plans for our properties by 2017.

### 10 Eagle & Telbel

Quebec, Canada

Mining activities ceased in 1993; the closure strategy is being updated.

## Exploration

### E Exploration Offices

Vancouver, British Columbia, Canada

Chihuahua, Chihuahua State, Mexico

Chihuahua State and Hermosillo, Sonora State, Mexico

Kittila, Lapland, Finland

Reno, Nevada, USA

Val-d'Or, Quebec, Canada

### Administration and Support Offices

Chihuahua and Hermosillo, Mexico

Espoo, Finland

Tucson, Arizona, USA

Preissac and Val-d'Or, Quebec, Canada

Toronto, Ontario, Canada

\* 2014 Reserves and Resources - See more at [www.agnicoeagle.com](http://www.agnicoeagle.com)

## Overview

# Chairman's Message



## A Message from Our Chairman, Jim Nasso:

Agnico Eagle is committed to being a responsive, respectful and responsible miner. In 2014, we undertook a number of initiatives to enhance our cooperation and level of trust with our stakeholders.

First, we continued to respond to increased demand from our stakeholders for more transparency in our business. In 2014, the Canadian mining industry took a huge step forward by adopting disclosure of payments to government as best practice. Agnico Eagle is a strong supporter of this initiative and we will continue to expand our reporting disclosures. Our commitment to transparency is an important first step in maintaining an open dialogue with our stakeholders.

At our mine sites, our drive to be responsive led to the creation of community response mechanisms and community liaison committees. Our operations also completed a stakeholder mapping exercise. This process was then used to develop site-specific community engagement plans – which support our efforts to engage in respectful dialogue with key stakeholders. We want our stakeholders to understand our activities and our priorities. We also want to know what their concerns are so that we can work together toward a common goal of social acceptability.

Social acceptability is an important objective for all of Agnico Eagle's projects. As early as the project development phase, we engage with stakeholders to assess the impacts of the project on social acceptability – and we seek to avoid, reduce or mitigate these impacts. This is the approach we took at our Meliadine project, which received acceptance in 2014 from regulators and our community stakeholders.

We understand that to maintain and strengthen our relationship with First Nations and stakeholders, we must continue to be responsive to their needs and evolving expectations, respectful of their values and responsible in the way we manage our business. We will continue to advance our performance and contribute positively to the future of our stakeholders and surrounding communities.



James D. Nasso  
Chairman of the Board  
May 1, 2015

## Overview

# CEO's Message



## A Message from Our CEO, Sean Boyd:

2014 was one of the most exciting and successful years in Agnico Eagle's 58-year history. We achieved our best safety performance and recorded our highest gold production ever. We also completed the largest transaction in our company's history, we made a major exploration discovery and we strengthened our project pipeline.

We achieved all of this in the face of challenging gold markets by remaining focused on improving our business and on creating value for our stakeholders now and for the future.

The Future is Mine is a theme that strikes to the heart of our organization. We believe the mining industry has an important role to play in preparing our stakeholders to face the economic, social and environmental challenges that lie ahead. The path to a better future is carved from education, technology, innovation and environmental sustainability. It is shaped by providing our communities, our employees and our potential employees with the jobs, training, skills and confidence they need to succeed in the future.

In 2014, and for the fourth year in a row, we posted our lowest ever combined lost-time accident and restricted work frequency rate – an important measure of our safety-first culture and performance. I want to thank our employees for their dedication toward our goal of a workplace with zero accidents. During the year, we also conducted a company-wide risk assessment to identify and classify health and safety risks across our sites, as well as risks to the environment and local communities. In 2015, each of our operations will prepare and implement an action plan to reduce the highest risks identified during that exercise.

I also want to highlight our team's efforts in gaining public and regulator acceptance of our Meliadine project, which is located in Nunavut. During the public hearings, we presented the results from several years of environmental assessment work done in consultation with the local communities. The project was accepted and the Nunavut Impact Review Board (NIRB) has now issued a Project Certificate, which allows us to proceed with applying for permits to construct and operate the mine. We are currently finalizing an Inuit Impact and Benefit Agreement with the Kivalliq Inuit Association. This is a significant milestone for Agnico Eagle and it underscores our commitment to receiving social acceptance from our community stakeholders.

In 2014, we took steps to ensure our commitment to responsible tailings management. This was in the wake of a breach of a tailings impoundment area at another mining company's operation in British Columbia. At each of our five active tailings facilities, we have asked the external dam designers to review the design and operational integrity of these impoundment facilities. In 2015, we are also planning a third-party expert review of all our tailings impoundments.

Finally, as a member of the Mining Association of Canada, we are part of the Towards Sustainable Mining (TSM) initiative, a tool for performance improvement. I believe it is important that we continue to challenge ourselves and advance our performance. To date, our divisions have been trained in TSM implementation, we have conducted an internal audit and we have completed a self-assessment. We plan to undertake our first external verification of our TSM performance in 2015, with a goal of achieving Level A in each TSM protocol.

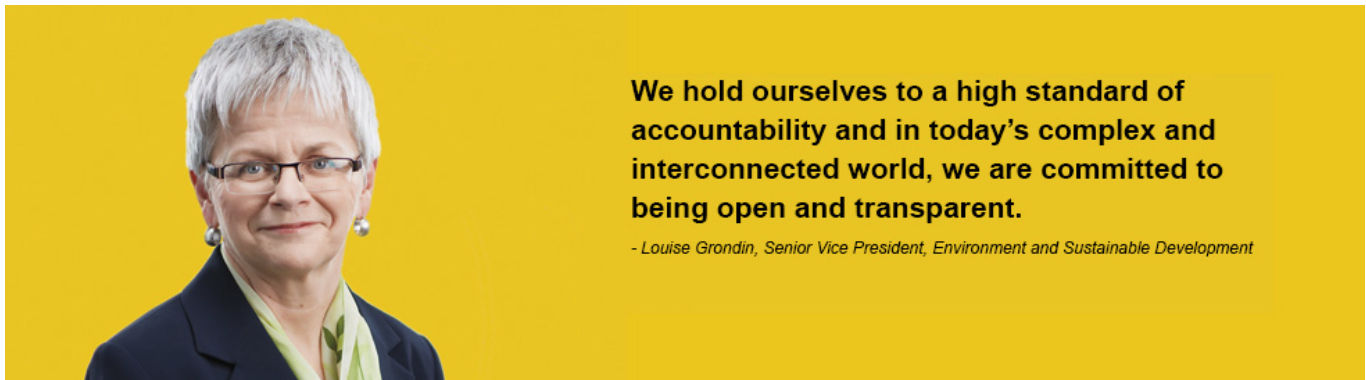
I want to thank our employees, once again, for helping to advance Agnico Eagle's safety and sustainable development performance. This work is important in securing our future and contributes to the prosperity of the communities in which we operate.



Sean Boyd  
Chief Executive Officer  
May 1, 2015

## Overview

# Sr. VP Environment & Sustainable Development's Message



## A Message from Our Senior VP, Louise Grondin

Agnico Eagle is determined to contribute positively to the future of our employees and surrounding communities. The theme of this year's report – The Future is Mine – reflects this determination. We believe that by providing our stakeholders with the skills and opportunities that mining can bring, we can help empower them to control their own destiny.

We understand that to maintain and strengthen our relationship with our stakeholders, we must continue to be responsive to their needs and evolving expectations, respectful of their values and responsible in the way we manage our business. We hold ourselves to a high standard of accountability and in today's complex and interconnected world, we are committed to being open and transparent.

In 2014, we undertook a number of initiatives to enhance our bond and level of trust with our stakeholders:

**Responsive Mining:** In 2014, the Mining Association of Canada (MAC) took a huge step forward by adopting disclosure of payments of taxes and royalties to governments as best practice. Agnico Eagle is a strong supporter of this initiative, which aligns directly with increased public demand for more transparency. We carried this drive for responsive mining locally at our mines by creating local mechanisms to address community concerns (e.g., community response mechanisms and liaison committees).

**Respectful Mining:** Each of our divisions developed community engagement plans – the purpose of which is to engage in a respectful dialogue with key stakeholders so that we can work together toward a common goal of social acceptability. Social acceptability is now an objective for all our new projects and an integral part of our corporate strategy.

**Responsible Mining:** We continued to develop our Responsible Mining Management System (RMMS). This system integrates our commitments in health and safety, the environment and community relations.

On a final note, while Agnico Eagle achieved our best ever safety performance in 2014, we were saddened to report the fatality of a contractor at our Pinos Altos shaft project in northern Mexico. This tragic accident drives us to continue strengthening our health and safety awareness and culture and to work diligently toward our goal of a workplace with zero accidents.



Louise Grondin  
Senior Vice President, Environment and Sustainable Development  
May 1, 2015



# Our Approach to SD



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 Sustainable Development

At the core of our Sustainable Development program we are committed to creating value for our shareholders while operating in a safe and socially and environmentally responsible manner and 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.

### At Agnico Eagle, we:

- respect and value our employees because our progress is built on their competence, capacity and engagement;
- empower our employees to work collaboratively in a culture where safety and respect are paramount;
- use industry best practices and innovation to continuously improve our environmental, safety and community relations performance;
- act in a socially responsible manner and contribute to the future of the communities in which we operate;
- work together with all of our employees and other stakeholders to create growth and prosperity;
- learn from our past experiences on the path to continuous performance improvement;
- design and operate our facilities to ensure that effective controls and technologies are in place to minimize and mitigate the identified risks;
- implement emergency response plans to eliminate or minimize and mitigate the impacts of unforeseen events; and
- evaluate, control, eliminate or minimize and mitigate risks through the implementation of a Responsible Mining Management System.

In 2014, we created a forum for the health and safety, environment, community relations and communications personnel across Agnico Eagle to share best practices. The groups meet through regular conference calls to work collaboratively on resolving issues. We also made it our standard practice to appoint a sustainability specialist to our project evaluation teams to ensure environmental and social issues are considered as early as possible in the project evaluation process. This move recognizes that for a project to be designed with sustainability in mind, sustainable development elements must be considered from its outset.

## **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 non-discriminatory employee grievance mechanism;
- 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; and
- consult, communicate and provide appropriate support to employees during their association with Agnico Eagle.

## **Our Code of Conduct**

Agnico Eagle's Code of Business Conduct and Ethics (the "Code") 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, we have zero tolerance for corrupt transactions and strongly adhere 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 the individual worth of every person working for or with Agnico Eagle and stipulates a no-tolerance level of discrimination.

Further, Agnico Eagle's Code of Ethics is also part of a key control under the Sarbanes-Oxley Act that defines how the Company conducts business and details the principles and standards of behaviour and conduct expected, and all employees (regardless of level or geographical location) are required to review and acknowledge their compliance to the Code.

The Audit Committee is responsible for monitoring compliance with the Code. In conjunction with the Code, we have established a toll-free compliance hotline to allow for anonymous reporting of suspected violations. To supplement the Code, our Board of Directors has also adopted an Anti-Corruption and Anti-Bribery Policy.

For more information on AEM's Code of Business Conduct and Ethics, [click here](#).

## 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:** Agnico Eagle 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 Agnico Eagle will conduct work in a certain area and under certain conditions.

## Child and Forced Labour

Agnico Eagle 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 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 contribute to safety in the workplace by being prepared to respond in the event of an emergency situation at any of our minesites.

Each of our mining operations has its own Emergency Response Plan and has personnel trained to respond to safety, fire or environmental emergencies. Each site also maintains appropriate response equipment. In 2014, Crisis Management Plans were integrated into each site's Emergency Response Plans. These Crisis Management Plans follow the Toward Sustainable Mining (TSM) Crisis Management Protocol.

## **Security in Mexico**

Our Pinos Altos mine is located in Chihuahua State and our La India mine is located in Sonora State in the Sierra Madre region of northern Mexico. The intensification of drug-related criminal activity in the Northern Mexican States over the last few years means we review our security measures with expert consultants on a continuous basis. With the purchase of Cayden Resources in November 2014, we now also own the El Barqueño property in the Guachinango gold district in Jalisco State and the Morelos Sur property in Guerrero State. Going forward, our security reviews will also include these areas. Our primary safety concern is for our employees. We have a responsibility to ensure that our employees can travel safely from their place of residence to the camp and from the camp to the mine. We are also responsible for ensuring that the camp and the minesite are secure. A series of security measures have been implemented to help us meet these responsibilities and these measures are routinely audited and updated by a third-party expert. Our security workforce is contracted; they are supervised by mine personnel to ensure that efficient security procedures are put in place, but done with all the respect due to our employees. We cooperate with government officials, including military and police, but our security personnel do not intervene outside the realm of protecting our employees.

## Public Policy Participation

Agnico Eagle encourages the development of sound public policy through open dialogue and debate. We are 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), the Ontario Mining Association (OMA), the Prospectors and Developers Association of Canada (PDAC) and the NWT & Nunavut Chamber of Mines. We typically participate in discussions on public policy issues as a member of these industry organizations.

Our Approach to SD

# Materiality and Stakeholder Engagement








## Potential Impact on Business and Importance to Multiple Stakeholders

### High Impact, Low Influence

- Talent management
- Employee training

### High Impact, High Influence

-  Health and safety
-  Employee and stakeholder engagement
-  Economic value
-  Governance
-  Environment

### Low Impact, Low Influence

- Public policy involvement
- Government financial assistance
- Supply management

### Low Impact, High Influence

- Energy management
- Biodiversity
- Workplace diversity
- Site security
- Regulatory compliance

## Responsible for Our Future

Our core values support our long-term goals to responsibly grow our gold business, continuously improve our sustainable development performance and deliver on our commitments to Agnico Eagle'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, we have 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 2014, we took a number of steps to ensure our 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.

Based on the feedback we have received from external experts, including our SAC and other key stakeholders, our report now focuses mainly on issues with the highest impact on our business from both a company and stakeholder perspective. 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 our stakeholders and industry experts on ways to further improve our sustainable development performance and reporting programs.

## Our Approach to SD

# Governance and Accountability

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## 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 uphold our core values.

Agnico Eagle has a Code of Business Conduct and Ethics that provides a framework for directors, officers and employees on the conduct and ethical decision-making that is integral to their work. We have also adopted a Code of Business Ethics for consultants and contractors. The Audit Committee of the Board of Directors is responsible for monitoring compliance with these Codes. We have also established a toll-free “whistleblower” 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.

We have also adopted an Anti-Corruption and Anti-Bribery Policy. Additionally, the Company’s activities are audited against the Conflict-Free Gold Standard of the World Gold Council.

**Management accountability:** Our sustainable development program and values are integrated at the operational, executive and Board levels. Corporate oversight and implementation of the program are the direct responsibility of two 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 assisted by the Vice-President Environment for environmental oversight and by the Vice-President of Health and Safety and Community Relations for health, 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 bi-weekly operational conference calls where all mine managers report on their performance over the past two weeks, 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, these issues are typically presented and discussed.



Risk assessments with identification of mitigation measures are also covered. Finally, sustainable development matters are presented to the Health, Safety, Environment and Sustainable Development Committee of the Board of Directors at each Board meeting.

**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.

For more information on our corporate governance, business practices and policies, [click here](#).

## Management Diversity

Our Board consists of 12 directors, of which all but one director are independent. The Board of Directors recognizes that diversity is important to ensuring that the Board as a whole possesses the qualities, attributes, experience and skills to effectively oversee the strategic direction and management of the Company. It recognizes and embraces the benefits of having a diverse Board of Directors, and has identified diversity within the Board as an essential element in attracting high calibre directors and maintaining a high-functioning Board. It considers diversity to include different genders, ages, cultural backgrounds, races/ethnicities, geographic areas and other characteristics of its stakeholders and the communities in which Agnico Eagle is present and conducts its business. The Board of Directors does not set any fixed percentages for any specific selection criteria as it believes all factors should be considered when assessing and determining the merits of an individual director and the composition of a high-functioning Board. The proportion of women is currently 27% of the non-executive directors and the proportion of non-resident Canadians is currently 27% of the non-executive directors.

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](#)

In 2014, each corporate function and business unit had to explicitly relate and further align its annual objectives with Agnico Eagle's business strategy. This was captured in a business strategy document that was used throughout the year to guide the Company's activities. Sustainable development objectives were fully integrated in the document and were explicitly aligned with the Company's strategic initiatives.

## Our Approach to SD

# Stakeholder Advisory 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.

## Getting Feedback

We have established a Stakeholder Advisory Committee (SAC)\* as an entity to provide us with feedback on our corporate social responsibility and to help us make strategic links and 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. The 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

### INUIT AND ARCTIC ENVIRONMENT

**Mary Simon**

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

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

**Isabelle Laprise**

Analyst, Raw Materials, Equity Markets  
Caisse de dépôt et placement du Québec  
Montreal, QC

**Sandra Odendahl**

Director, Corporate Sustainability  
Royal Bank of Canada  
Toronto, ON

**Kate Marshall**

Senior Analyst, Research Products  
Sustanalytics  
Toronto, ON

## SOUTHERN DEVELOPMENT, INTERNATIONAL BUSINESS IN LATIN AMERICA





**Paul Durand**

Former Ambassador in Latin America  
Ottawa, ON





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

In response to ongoing feedback from the Committee, we have been working on key priorities:






### Leadership, Governance and Accountability

Recommendation	Status	Action
<b>Develop a Board level sustainability subcommittee, and consider Board level capacity-building needs</b>	 Completed	The transformation of the Health, Safety and Environment (HSE) Committee into the <a href="#">HSE/Sustainable Development Committee</a> done in 2012
<b>Identify and articulate the link between sustainability and corporate strategy</b>	 Completed	Since 2013, sustainable development objectives have been fully integrated into our business strategy and explicitly aligned with our corporate strategic initiatives.
<b>Determine and communicate how this strategy/sustainability link can be operationalized at site level</b>	 Completed	Sustainable development objectives are derived from the corporate sustainable development objectives and are included in each mine performance bonus. The RMMS integrates sustainable development considerations into all activities at each of our mines.
<b>Evaluate and adjust our Code of Ethics, so there is a stronger link to values and sustainability</b>	 Completed	We have added an Anti-Bribery and Anti-Corruption Policy to our corporate policies. As a member of the World Gold Council, we are audited and certified for application of the Conflict-Free Gold Standard. This means we have demonstrated that the gold we produce has been extracted in a manner that does not fuel unlawful armed conflict or contribute to serious human rights abuses or breaches of international law.

## Stakeholder Engagement and Consultation

Recommendation	Status	Action
<p><b>Identify and communicate how Agnico Eagle is addressing risks linked to security and human rights in Mexico</b></p>	<p style="text-align: center;">                       Completed                 </p>	<p>As a member of the World Gold Council, we are audited and certified for the application of the Conflict Gold Standard (see above). We have included security in our sustainable development reporting.</p>
<p><b>Develop/enhance Agnico Eagle policies, guidelines and suggested practices linked to stakeholder engagement</b></p>	<p style="text-align: center;">                       Completed                 </p>	<p>As part of the application of TSM and RMMS, we have completed the stakeholder mapping exercise at each of our divisions and prepared stakeholder engagement and communication plans. Both of these tools are part of the RMMS and will track commitments more consistently to help improve our overall performance.</p>
<p><b>Create site-specific summary reports to meet local stakeholder expectations for content and language</b></p>	<p style="text-align: center;">                       Completed                 </p>	<p>Mexico and Finland are producing site-specific sustainable development newsletters. We are also producing site-specific fact sheets on our sustainable development programs.</p>
<p><b>Develop grievance mechanisms to ensure stakeholder concerns are voiced and managed responsibly</b></p>	<p style="text-align: center;">                       Completed                 </p>	<p>A guide to the implementation of community response mechanisms was included in the RMMS. As part of TSM, community grievance mechanisms were implemented at each division.</p>

## Carbon, Environment and Safety Management

Recommendation	Status	Action
<b>Improve transparency of decisions relating to HSE issues and initiatives (e.g., tailings management)</b>	 Completed	Included in our sustainable development reporting. In 2015, a third-party review of Agnico Eagle's tailings ponds will be performed.
<b>Ensure HSE policies are applied locally, while identifying examples where incidents have occurred</b>	 In progress	Our Sustainable Development Policy integrates Health, Safety, Environment and Community commitments, making its application easier and more consistent. Implementation of the RMMS will complement and support our Sustainable Development Policy.
<b>Shift to aspirational (Zero Harm) safety targets, and develop "leading" performance indicators</b>	 In progress	The long-term goal is to reduce the occurrence of accidents to none. Zero Harm safety targets are now widely stated in all health and safety communications.
<b>Shifting to positive indicators for Health and Safety</b>	 In progress	Leading performance indicators have been selected and are being followed at each division. Targets have been established for performance improvement for these indicators.
<b>Obtain certification for ISO 14001 (Environment) and OHSAS 18001 (OH&amp;S) management systems</b>	 Recommendation only partly followed	Our RMMS is based on ISO 14001 and OHSAS 18001 standards. Agnico Eagle will not apply for certification at this time.

In 2015, 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 2014:

**Strategic community investment:** The SAC identified the need to develop a more strategic approach to community investment that: addresses community needs; aligns itself with Agnico Eagle'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.

**Focus on outcomes rather than inputs:** As an approach to quantifying the business value of certain investments, the SAC has encouraged Agnico Eagle to build from our existing Key Performance Indicators to begin tracking and reporting on outcome-related measures of community investment: for example, to assess and report on the effectiveness of training and its impact on performance; or to track and report on the number of graduates rather than (or in addition to) the money invested in education.

**Building capacity in the North:** The SAC provided insight and guidance into how we can help build capacity in Nunavut 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.

## Our Approach to SD

# Standards

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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:

- Carbon Disclosure Project (CDP)
- Global Reporting Initiative (GRI)
- International Cyanide Management Code
- Towards Sustainable Mining (TSM) Initiative
- Disclosure of payments to governments
- Conflict-Free Gold Standard

## Responsible Mining Management System

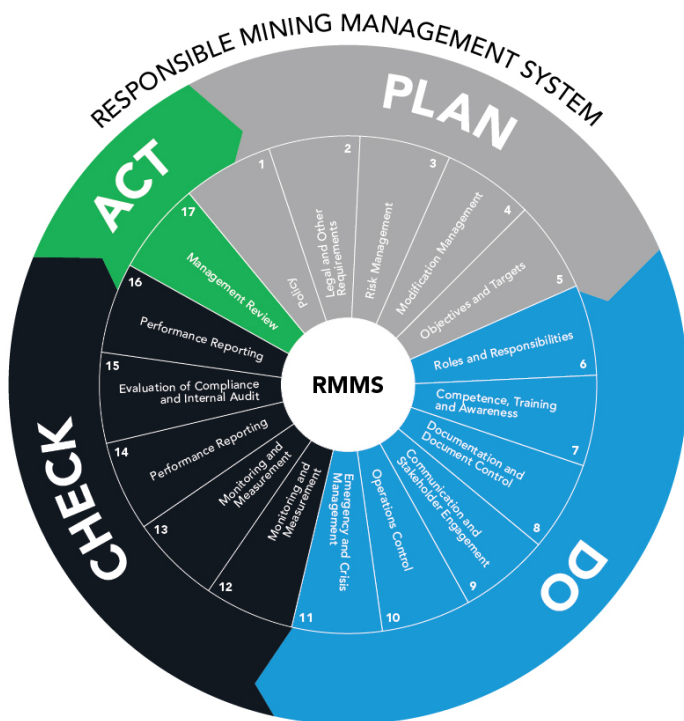
Our goal is to further promote a culture of excellence that encourages our employees to continuously improve their skills and to not only meet but exceed regulatory requirements for health, safety and the environment.

In 2014, we continued to integrate sustainability into all aspects and stages of Agnico Eagle's business – from our corporate objectives and executive responsibility for “maintaining high standards in sustainability” to our exploration and acquisition activities, day-to-day operations and ongoing site closure plans. This integration will allow employees to take greater ownership of implementing responsible mining practices.

We are integrating these practices through the development and implementation of an in-house Health, Safety, Environment and Community Relations Management System, known as our Responsible Mining Management System (RMMS). The RMMS is consistent with the ISO 14001 Environmental Management System and the OHSAS 18001 Health and Safety Management System. It also integrates other industry standards such as the Cyanide Management Code and the Mining Association of Canada's TSM Initiative. We are not planning to seek certification under the ISO or OSHA standards at this time.

In 2014, as part of the development of our RMMS, we carried out a company-wide risk assessment exercise to identify and evaluate health and safety risks – as well as risks to the environment and local communities. In 2015, each operation will prepare and implement an action plan to reduce the highest risks identified during that evaluation.

We also prepared a Standards Manual containing 17 elements – each of which is a required step leading to the improved management of our health and safety, environment and community relations performance. Our goal is to implement a process by which risks are assessed, mitigated, monitored and reviewed on a regular basis. This will enable us to meet not only our commitments but also the evolving expectations of our stakeholders. It will also allow us to be better equipped to face the future challenges of mining. Engaging with community stakeholders is central to the RMMS and is an important component of being a responsible miner.



- PLAN**
  - Element 1: **Policy**
  - Element 2: **Legal and Other Requirements**
  - Element 3: **Risk Management**
  - Element 4: **Modification Management**
  - Element 5: **Objectives and Targets**
- DO**
  - Element 6: **Roles and Responsibilities**
  - Element 7: **Competence, Training and Awareness**
  - Element 8: **Documentation and Document Control**
  - Element 9: **Communication and Stakeholder Engagement**
  - Element 10: **Operational Control**
  - Element 11: **Emergency and Crisis Management**
- CHECK**
  - Element 12: **Monitoring and Measurement**
  - Element 13: **Non-conformance Management**
  - Element 14: **Records Management**
  - Element 15: **Evaluation of Compliance and Internal Audit**
  - Element 16: **Performance Reporting**
- ACT**
  - Element 17: **Management Review**

## 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.cdp.net](http://www.cdp.net).



## Global Reporting Initiative

The Global Reporting Initiative (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 G3.1 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](http://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 three of the four nominated operations underwent an official external audit in 2014. We anticipate that our three operations will receive certification in 2015. The fourth operation is scheduled to undergo the external audit in the second quarter of 2015. For more information on the Cyanide Code, visit [www.cyanidecode.org](http://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 RMMS system.

In 2014, we conducted an internal audit against our performance reported in 2013 and 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 undergo an external verification of our TSM performance in 2015. Such external verification will be conducted at each facility every three years thereafter. More detailed information can be found at [www.mining.ca](http://www.mining.ca).

## Tailings Management Standard

Tailings management is one of the highest risk areas of any mining operation. We have adopted a tailings management standard to ensure a framework is in place to fulfill our commitments to responsible tailings management.

## Our Approach to SD

# Conflict-Free Gold Standard

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Agnico Eagle is committed to the principles of transparency and accordingly, we continue to increase our level of disclosure on the payment of all taxes and royalties to governments. For 2014, we have reported all payments within our sustainability reporting in accordance with the GRI "Publish What You Pay" initiative, and will implement new reporting requirements when introduced.

Agnico Eagle understands that operating responsibly and maintaining the trust of our stakeholders requires us to demonstrate that the gold we produce has been extracted in a manner that does not fuel unlawful armed conflict or contribute to serious human rights abuses or breaches of international law. As such, we have adopted and implemented the World Gold Council's (WGC) Conflict-Free Gold Standard.

Members of the WGC are expected to conform with the requirements of the Conflict-Free Gold Standard that were finalized in October 2012 (the "CFGS"). Conformance with the CFGS demonstrates that gold has been extracted in a manner that does not cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law. Agnico Eagle implemented the CFGS, beginning with the 2013 calendar year. This is our second year of adherence to the Standard.

Under the CFGS, companies are required to issue a Certification Report which outlines their adherence. The Report is updated annually and is issued within 120 days of the year-end, or as required by the CFGS. Our 2014 Certification Report, which is our second Report, covers all gold or gold-bearing materials dispatched by Agnico Eagle Mines Limited for the calendar year ended December 31, 2014. [Click here to view the Agnico Eagle Mines Limited World Gold Council – Conflict-Free Gold Standard Certification Report](#), which summarizes our conformance to the requirements of the Standard.

The CFGS also requires that the Certification Report be verified by an independent assurance provider. The objective of the verification is to express an opinion as to whether Agnico Eagle has successfully implemented the requirements of the WGC's Conflict-Free Gold Standard, and that the Company's Conflict-Free Gold Report for the reporting year ended December 31, 2014 has been prepared, in all material respects, in accordance with the Standard. Agnico Eagle retained Ernst & Young, an independent assurance provider, to assess its conformance with the Standard.

Ernst & Young has conducted its assessment under the Standard for the period from January 1 to December 31, 2014. It confirmed that the mines identified under Section A – the Pinos Altos, Creston Mascota and La India operations in Mexico – are in conformance with the CFGS. Ernst & Young's statement is available [here](#).

Both the Certification Report, which describes Agnico Eagle's conformance to the requirements of the CFGS and the Limited Assurance Report, which provides the independent assurance on adherence to the CFGS, are posted on [www.agnicoeagle.com](http://www.agnicoeagle.com) under our Sustainable Development report.

## Our Approach to SD

# SD Recognition – Awards and Certifications

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Our employees demonstrate leadership and innovation in the workplace. They help ensure we operate in a safe and socially and environmentally responsible manner. Here are some of the recognitions, awards and certifications our teams have recently received:

## SAFETY FIRST

- The Quebec Mining Association recognized 20 supervisors from the LaRonde, Lapa and Goldex mines for achieving more than 50,000 hours without any compensable accidents on their work teams from July 1, 2013 to June 30, 2014. Additionally, 15 supervisors at the Canadian Malartic mine were recognized for achieving 50,000 to 300,000 hours without any compensable accidents from July 1, 2013 to June 30, 2014.
- At the Underground Mine Rescue Regional Competition (North Zone Mexico), Ruben Lucero, Plant Maintenance Manager at Creston Mascota, took first place in the BG-4 equipment bench-man event, which is a simulation exercise to repair respiratory equipment. At the same competition, the Aguilas Doradas team took second place in the first-aid event and the Pinos Altos underground mine rescue team finished seventh overall.
- Agnico Eagle was honoured with a Safety Performance Award at the 2014 Intalex Software User Conference for demonstrating outstanding improvements in health and safety performance.

## SOCIAL RESPONSIBILITY

- Agnico Eagle Mexico Services (SAP – La India, Pinos Altos and Mascota) and Servicios Agnico Pacific (SAP – La India) were both recognized in the "Great Place to Work" rankings for northwest Mexico, in ninth and 18th place respectively.
- Agnico Eagle Mexico was recognized for the seventh consecutive year by the Chihuahuan business foundation "Fundación del Empresariado Chihuahuense A.C." with an award of distinction for being a "Socially Responsible Company" in 2014.
- The Meadowbank mine was named as one of the top Northern Employers by Up Here Business Magazine.

- Agnico Eagle was awarded the top prize in the category of "Responsibility" at the 25th Annual Gala of Elites hosted by the Central-Abitibi Chamber of Commerce and Industry. This award recognizes companies that demonstrate effective management and sound governance of their social responsibility programs. Agnico Eagle's recent contribution toward an angiography table at the Eskers Health and Social Services Centre, in particular, was recognized.
- Goldex was recognized for its contribution to the local community by the Val-d'Or Chamber of Commerce, with an award for its "Contribution to Economic Development".

## PROMOTING EXCELLENCE

- **Clean Industry:** Agnico Eagle's Creston Mascota mine was certified, and our Pinos Altos mine was recertified, as 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.
- **Innovation in training:** Meadowbank received an award for Excellence in Information Technology for its online learning management and orientation program. This project, in partnership with Meadowbank's technology provider Ellicom, went on to win the Canadian Silver Award at the Canadian Awards for Training Excellence.
- **International Cyanide Management Code:** Three of our operations – Kittila, Meadowbank and Pinos Altos – were audited under the International Cyanide Management Code and were found to be substantially compliant. These sites are now working to resolve the few remaining gaps identified to achieve full compliance. Certification is expected to follow in 2015.

# Objectives



As we move into 2015, we will continue to measure our performance against the leading global standards of our industry and against the core values of our Company.

**Our 2014 SD Report covers activities at our eight mining operations located in: Canada (LaRonde, Lapa, Goldex and Meadowbank), northern Finland (Kittila) and northern Mexico (Pinos Altos, Creston Mascota, La India).**

The performance of the Canadian Malartic mine, of which Agnico Eagle owns a 50% interest, is mentioned in some of the sections of this report; however, a more detailed, stand-alone Sustainable Development Report can be downloaded from its website at [canadianmalartic.com](http://canadianmalartic.com).

Our Sustainable Development Report presents information on the economic, health, safety, environmental and social performance of Agnico Eagle for 2014. Our goal is to provide our stakeholders with a better understanding of our performance in terms of operational safety, and environmental and social challenges and risks. We also describe our efforts to evolve and improve our corporate responsibility and risk management systems and performance.

We have included a discussion on the current status of the closed mine sites over which Agnico Eagle has responsibility. These sites include the 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 Agnico Eagle has managing control and therefore does not include any activities by companies in which we hold a minority investment.

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
- Agnico Eagle–specific indicators.

With six 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 the Company's most significant social, socio-economic and environmental risks and challenges, which will help our stakeholders fully understand and assess our sustainable development performance.

**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 our report.

Our 2014 Sustainable Development Report has not been verified by an independent third party.

**Objectives**

# 2014 Performance

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In 2014, Agnico Eagle made progress on improving our overall sustainable development performance. We achieved key environmental, economic, human resources and community objectives.

The tables below compare Agnico Eagle's 2014 performance against our 2014 targets and present our targets for 2015. Although our TSM results are much the same as last year's, they show strong performance in the areas of Crisis Management and Preparedness, Tailings Management, and Health and Safety, as well as a need for improvement in the areas of Energy Management and Biodiversity Conservation. We continue to strive for our 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 everyday practices and to minimize any duplication of effort. In 2014, we underwent an internal audit of our TSM performance in preparation for our 2015 external audit. As we move into 2015, we will continue to measure our performance against the leading global standards of our industry and against the core values of our Company.

**With six 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.**

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		2012 Performance	2013 Performance	2014 Performance	2015 Target*
 <b>Health and Safety</b>	Combined Lost-Time Accident Frequency	2.44	1.70	1.48	<b>1.70</b>
 <b>Environment</b>	Fresh Water Use Intensity (m <sup>3</sup> /tonne of ore milled)	0.38	0.43	0.32	<b>0.35*</b>
	Environmental Incidents	No category 3, 4 or 5 incidents	One category 3 incident	One category 3 incident	<b>Report 100% of spills and no category 3, 4 or 5 incidents</b>
	GHG Emission Intensity (CO <sub>2</sub> /tonne of ore processed)	0.029	0.029	0.020	<b>0.0245*</b>
 <b>Social Responsibility</b>	Towards Sustainable Mining	Integrated into RMMS planning	Integrated into RMMS planning	TSM scores can be found in the Performance section ( <a href="#">Click here</a> )	<b>To achieve a Level A in each protocol</b>

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

**Objectives**

# Health and Safety



We believe that all lost time 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 stages 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; and
- maintain a high degree of emergency preparedness to effectively respond to emergencies.

In 2014, our combined lost-time accident (LTA) and restricted work frequency rate was 1.48 – a 13% reduction from the previous year’s performance and substantially below our target rate of 2.1. This is the fourth year in a row we have posted our lowest ever combined LTA frequency rate. The 2014 figure reflects a total of 94 accidents that resulted in either lost time or assignment to light duty while the employee fully recovered.

Unfortunately, after operating 1,370 days without a fatality, we were saddened to report the death of a contractor at our Pinos Altos shaft project in northern Mexico. A joint investigation of the accident – which happened on November 28 – was carried out with the regulatory authorities and the mining contractor to understand what led to the accident and to prevent a similar occurrence in the future.

Additionally, the Canadian Malartic mine's total number of accidents was reduced from 159 to 128. Its LTA was 1.5, well under the established target of 2.7, and a 38% reduction from the previous year's performance.

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 active safety leadership with the help of their supervisors and their colleagues. This approach encourages employees to look after their own safety and that of the people around them. It also encourages safety planning discussions and follow-ups. Everyone, from directors to superintendents, supervisors and miners at all of our operating divisions, has been trained to use the supervisory formula in a way to create a safety culture aiming towards inter-dependence.

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 2015, our corporate objective is a combined lost-time and restricted work frequency rate of 1.7 – a significant reduction from the 2014 objective of 2.1. We will focus on continuously improving our safety performance.

In 2014, we began collecting data on leading indicators (as compared to lagging indicators such as accident frequency) which demonstrate a consistent improvement in our health and safety management program. These indicators are: hours of safety training provided, time to complete corrective actions after an incident, and reporting of near-miss incidents. We also developed a dashboard to help supervisors and management follow industrial hygiene data. This dashboard – which was first piloted at Meadowbank and will be implemented progressively at other divisions – reduces the time required to analyze data, which will help us take any necessary action sooner by looking at industrial hygiene trends.

## IHSTAT v1.2

SEGment:

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Contaminant:

Choose Task:

--Select--

Sample data:

0.01, 0.308, 0.196, 0.445, 0.051, 0.096, 0.048, 0.481, 0.128, 0.033, 0.224, 0.056, 0.335, 0.315, 0.15, 0.059, 0.072, 0.03, 0.159, 0.092, 0.073, 0.223

Cassettes:

Sequence contains no elements

People:

Enter OEL:

0.095

 Lognormal and normal  $\alpha$ : 0.05



Refresh Calculations

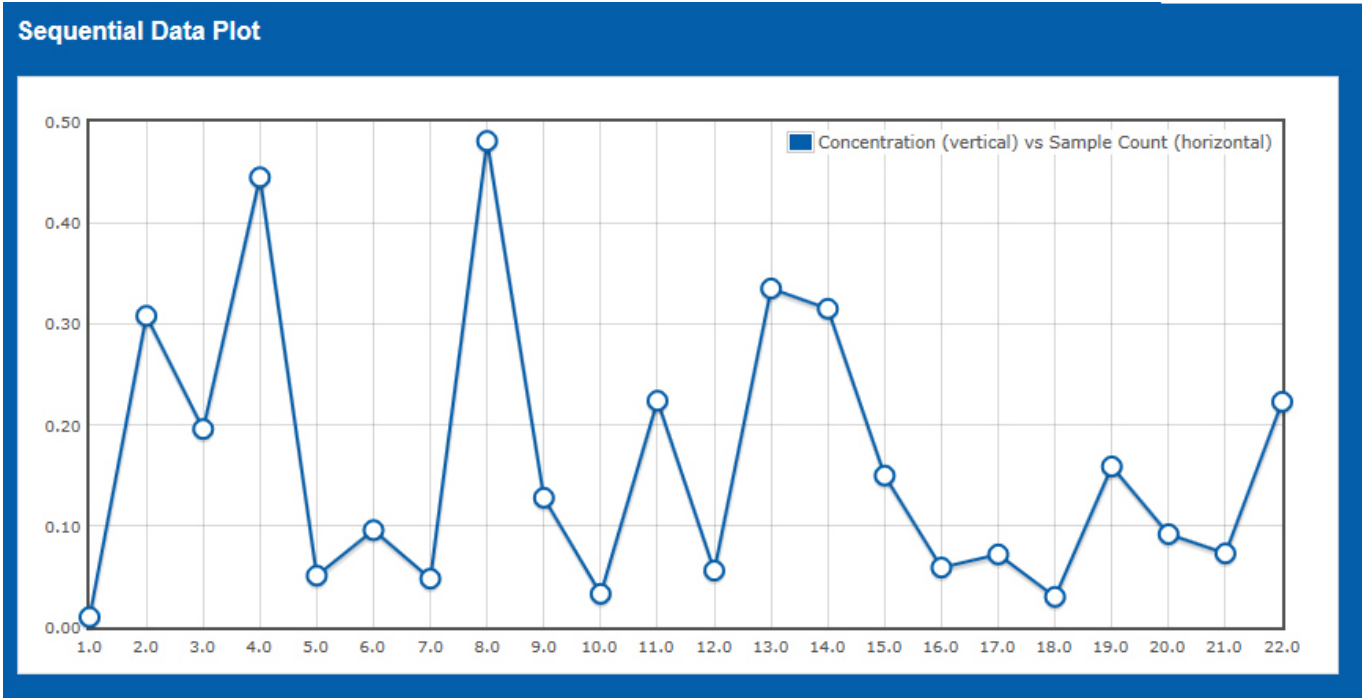
Load some example C.TWA values

lognormal pdf(x):

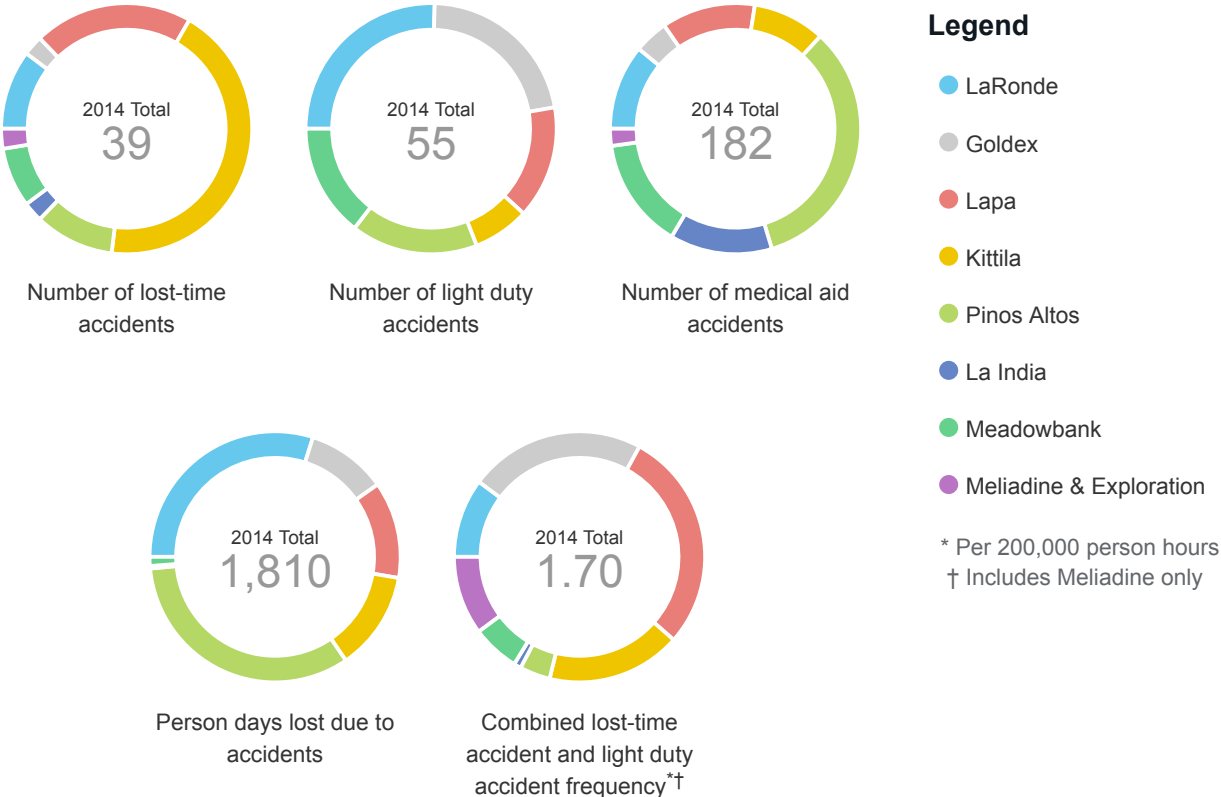
2.146, 0.760, 1.733, 0.333, 5.858, 4.164, 5.925, 0.275, 3.114, 5.843, 1.388, 5.715, 0.637, 0.725, 2.558, 5.615, 5.116, 5.691, 2.365, 4.316, 5.076, 1.399,

### Descriptive Statistics

Number of Samples (n):	<b>22</b>	Minimum:	<b>0.010</b>	Maximum:	<b>0.481</b>
Range:	<b>0.471</b>	Mean:	<b>0.163</b>	Median:	<b>0.112</b>
Standard Deviation (s):	<b>0.137</b>	p-value:	<b>0.0099</b>	p-logvalue:	<b>0.6107</b>
Geometric Mean:	<b>0.110</b>	log-mean:	<b>-2.210</b>	log-sd:	<b>0.989</b>
Geometric Standard Dev.:	<b>2.688</b>				
Percentage Above OEL:	<b>54.55</b>				
% Est. Arith. Mean to OEL:	<b>182.58 %</b>				
W-test of log-transformed data:	<b>0.966</b>				
W-test of data:	<b>0.875</b>				



Agnico Eagle has developed a dashboard tracking tool called “Helios” that will greatly assist in managing industrial hygiene trends at each operation.



## Emergency Response

Each of our mining operations has its own Emergency Response Plan and personnel trained to respond to safety, fire and environmental emergencies. Each mine also maintains the appropriate response equipment. In Mexico, the Company's emergency response team was called by local authorities on several occasions to help in emergency situations outside the minesite. The same is true in Nunavut where the Meadowbank mine supported the Baker Lake fire brigade in a major fire that occurred in a commercial facility in the hamlet. Meadowbank also helped the local rangers during a rescue mission by lending them a helicopter that was contracted for exploration work.

In 2014, the Corporate Crisis Management Plan was updated to align with industry best practices and TSM requirements.

**Objectives**

# Environment

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We aim to minimize the effects of our operations on the environment and maintain its viability and its diversity. To achieve this, we:

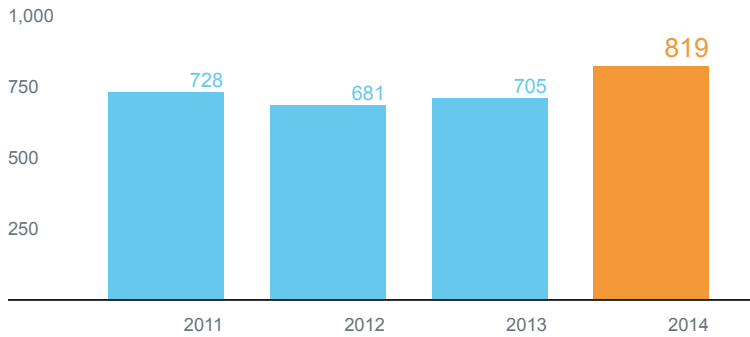
- minimize the generation of waste and ensure its proper disposal;
- manage tailings, waste rock and overburden to ensure environmental protection;
- implement measures to conserve natural resources such as energy and water;
- implement measures to reduce emissions to air, water and land, and to minimize 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; and
- rehabilitate sites to ensure physical and chemical stability and in consultation with nearby communities in a timely manner.

## Energy Use

Our total energy use in 2014 was mostly affected by an increase in production from Goldex's full year of operation and from the La India mine coming on line. Our total electricity consumption from the grid increased by 16% to 819 gigawatt hours (GWh) in 2014 from 705 GWh in 2013. Consumption at Goldex rose to 122 GWh in 2014 from 54 GWh in 2013. In terms of electricity production, the construction of an electrical line to Creston Mascota has limited the need for electricity production to periods when the regional electrical grid is down. Pinos Altos/Mascota has therefore decreased its electricity production by 3.7 GWh. However, La India is not linked to the electrical grid and must produce its own electricity, adding 11.7 GWh to electricity production in 2014. Overall, the amount of electricity generated and consumed at the Meadowbank, Pinos Altos/Mascota and La India sites increased by 7% to 157 GWh in 2014 from 148 GWh in 2013.

### Electricity Consumed from the Grid

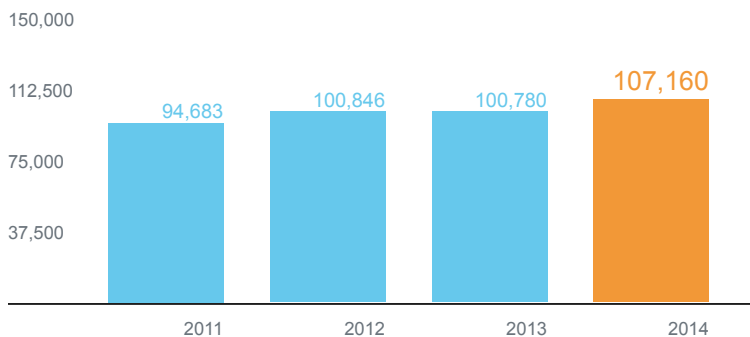
(in millions of kWh)



Total diesel fuel consumption increased slightly to 107 million litres in 2014 from 101 million litres in 2013. La India production alone added almost 11 million litres of fuel, but this was partially offset by better control over fuel consumption at the Meadowbank mine, the closing of the Oberon Weber pit at Pinos Altos in June and the fact that electricity for Creston Mascota is now supplied via a transmission line. Diesel fuel usage per tonne of ore processed fell by 29% to 5.68 litres from 8.01 in 2013 because of the additional production at Goldex and La India.

### Diesel Consumption

(000s of litres)



During the year, natural gas usage increased by 7% over 2013 levels, to 11.4 million cubic metres (m<sup>3</sup>), in part because of the full year of mining at Goldex and because of the higher demand related to mining at deeper levels at LaRonde. The intensity per tonne, however, decreased from 0.85 to 0.61 thousand m<sup>3</sup> of ore processed.

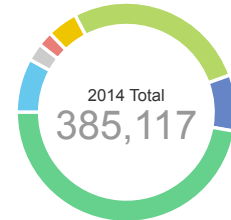


## Greenhouse Gas Emissions

We calculate 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 tonne of ore processed.

In 2014, GHG levels were mostly affected by the increased production from Goldex and La India, and the fact that La India produces electricity solely from diesel fuel. Agnico Eagle’s total direct GHG emissions were 317,349 tonnes of CO<sub>2</sub> from all sources – including fuel used to generate power, fuel for mining vehicles, natural gas for heating and explosives used in blasting at our operating mines. This compares to 297,138 tonnes of CO<sub>2</sub> in 2013. Our total indirect GHG emissions were 67,768 tonnes of CO<sub>2</sub> equivalent in 2014, compared to 60,768 tonnes in 2013

Total overall GHG emissions (direct and indirect) were 385,117 tonnes in 2014, an 8% increase from 357,387 tonnes in 2013. However, the increase due to increased tonnage was partially offset by improved control at Meadowbank. In 2014, our average GHG emission intensity (the tonnes of CO<sub>2</sub> equivalent per tonne of ore processed) for all of our operating mines was 0.0204 as compared to 0.0285 in 2013. This represents a 28% reduction in Agnico Eagle’s global average GHG emission intensity. 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.



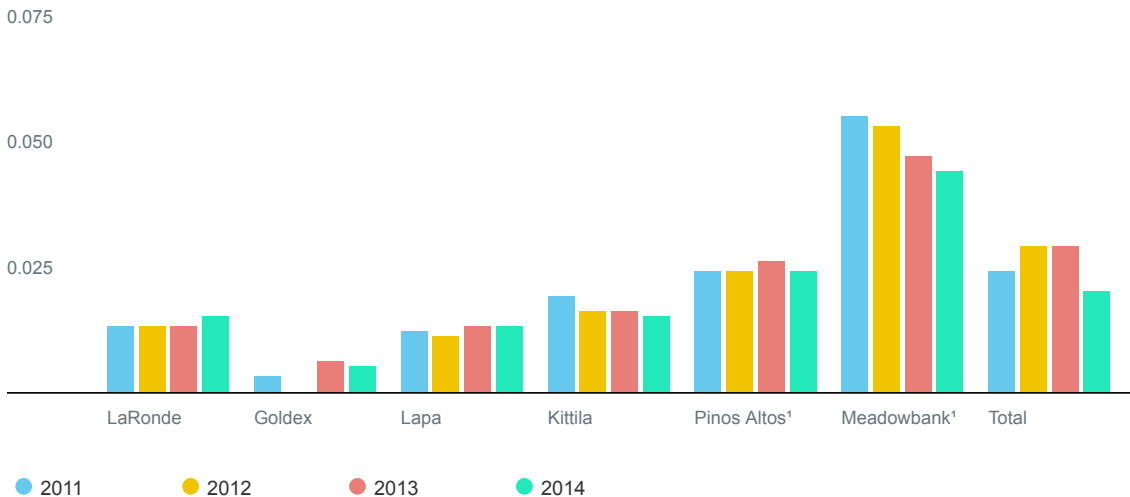
Total 2014 GHG direct and indirect emissions by site

### Legend

- LaRonde
- Pinos Altos
- Goldex
- La India
- Lapa
- Meadowbank
- Kittila
- Meliadine & Exploration

### Total Direct GHG Emission Intensity

(tonnes of CO<sub>2</sub> equivalent per tonne of ore processed)



Note: All numbers have been rounded.

As part of the TSM initiative, energy management processes were implemented that will lead to better control of energy consumption and, therefore, of GHG emissions. Energy reduction initiatives are often led by our employees, who regularly identify small incremental steps that can be taken to improve overall energy performance.

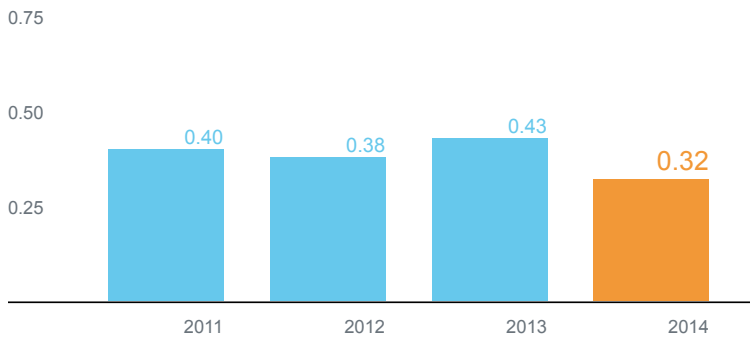
## Water Management

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. The increased production at Goldex and La India affected our total water consumption. In 2014, the total water consumed by Agnico Eagle from all sources was 6.1 million m<sup>3</sup>, up 9% from 5.6 million m<sup>3</sup> in 2013; however, some local initiatives to reduce fresh water consumption were undertaken. For example, the replacement of fresh water with water from the High-Density Sludge thickener overflow at LaRonde, coupled with the installation of a new water settling arrangement underground, led to a reduction in fresh water consumption of 25% to 927,000 m<sup>3</sup>.

Our fresh water use intensity from all sources was 0.32 m<sup>3</sup> per tonne of ore processed, down from 0.43 in 2013, which represents a 25% decrease and reflects the increased tonnage from Goldex and La India, as well as our continuous improvement efforts.

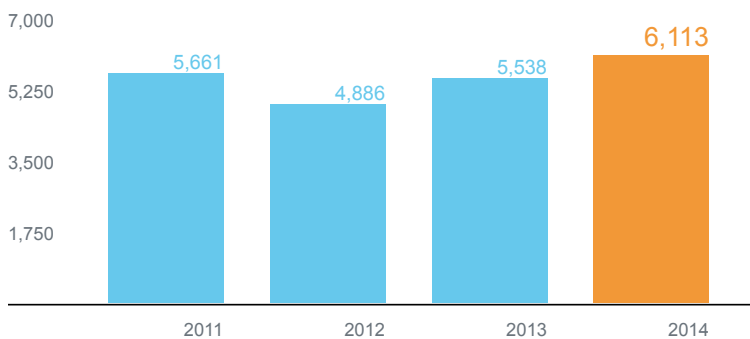
### Fresh Water Use Intensity

*(water consumption in cubic metres per tonne of ore milled)*



### Total volume of all fresh water used for all mine uses

*(000s of m<sup>3</sup>)*



Because each cubic metre of fresh water that is brought into our facilities needs to be managed and treated, 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 precipitation runoff – snowmelt and rainwater – 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.

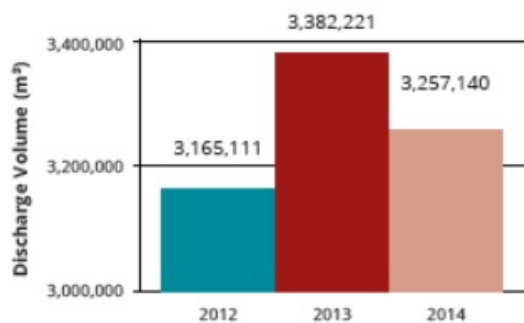
## Effluent Discharge

The total volume of effluent discharged from all of our mining operations in 2014 was 7.9 million m<sup>3</sup> down from 10.8 in 2013, representing a 27% decrease. This decrease was mostly due to the completion of dewatering for the Vault pit at Meadowbank and the increased water recirculation at Goldex because of its full year of production. Conversely, the Kittila mine, which is mining at deeper levels, requires more dewatering underground and, therefore, has seen its water discharge to the environment increase.

The water discharge intensity in 2014 was 0.42 m<sup>3</sup> per tonne of ore processed, as compared to 0.74 m<sup>3</sup> in 2013, a 43% decrease. This large intensity drop was due to the fact that La India, with its 4.4 million tonnes of processed ore, operates in a closed circuit without any discharge.

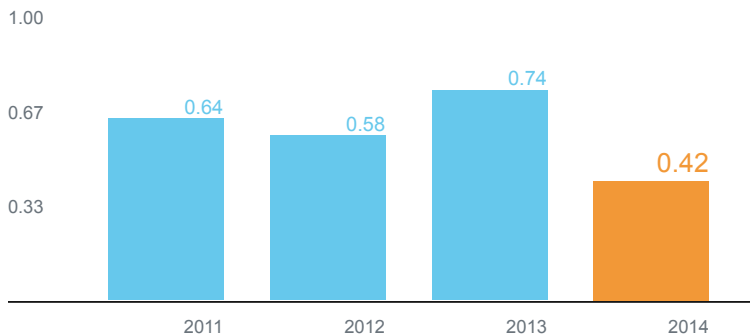
The annual water discharge at Canadian Malartic in 2014 was 3.3 million m<sup>3</sup>, compared to 3.4 in 2013, a 4% decrease.

### Annual Water Discharge at Canadian Malartic Mine



### Effluent Discharge Intensity

(total effluent discharge in cubic metres per tonne milled)



As prescribed by the GRI guidelines, we can attest that none of the effluents discharged from our operations has a significant impact on the receiving waters. The LaRonde, Goldex and Pinos Altos mines discharge into small drainage watercourses, none of which are classified as environmentally sensitive; they are not listed as protected waterbodies and do not contain protected (i.e., endangered or threatened) species. The Lapa and Kittila mines discharge into wetland areas, none of which is considered environmentally sensitive nor listed as protected wetland. The Meadowbank mine discharges into a relatively large lake, which is not considered environmentally sensitive nor listed as a protected waterbody and 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 waters to receive these effluents without resulting in unacceptable impact. Our operations also conduct regular environmental effects monitoring programs in these receiving waterbodies as well as 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.

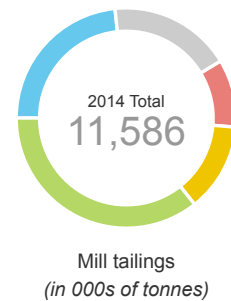
At all operations, both grey water and domestic sewage are collected and treated at sewage treatment facilities located on site. The type of sewage treatment processes used at our operations are summarized below:

- Septic field + aerated lagoon (LaRonde)
- Septic field + ultraviolet treatment (Goldex)
- Septic tank followed by biological treatment + UV treatment (Lapa)
- Biological treatment (Kittila, Meadowbank)
- Activated sludge + filtration and chlorination (Pinos Altos, La India)

## Waste Management and Tailings

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.

In 2014, Agnico Eagle’s mining operations generated 55.7 million tonnes of waste rock compared to 51.5 in 2013. The majority of the increase was due to the start-up of the La India mine, which in 2014 produced 5.2 million tonnes of waste rock. Compared to 2013, when 3.95 million tonnes of waste rock were used in tailings dam construction at LaRonde, Kittila, Meadowbank and Pinos Altos, in 2014 only 1.68 million tonnes were used for that purpose. A total of 11.6 million tonnes of mill tailings were produced in 2014 as compared to 10.5 million tonnes in 2013. The increase was associated with the full year of production at Goldex. Approximately 29% of tailings at LaRonde were returned underground as backfill, compared to 42% at Goldex, 35% at Pinos Altos and 22% at Kittila.

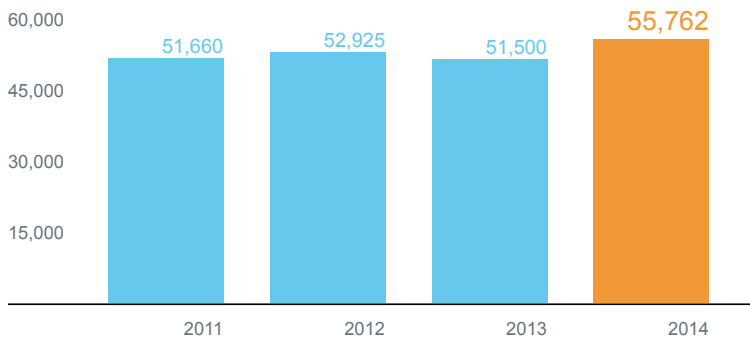


### Legend

- |   |   |
|---|---|
| <span style="color: blue;">●</span> LaRonde   | <span style="color: green;">●</span> Pinos Altos              |
| <span style="color: grey;">●</span> Goldex    | <span style="color: darkblue;">●</span> La India              |
| <span style="color: red;">●</span> Lapa       | <span style="color: lightgreen;">●</span> Meadowbank          |
| <span style="color: yellow;">●</span> Kittila | <span style="color: purple;">●</span> Meliadine & Exploration |

## Volume of Waste Rock Produced

(000s of tonnes)



## Environmental Incidents and Environmental Compliance

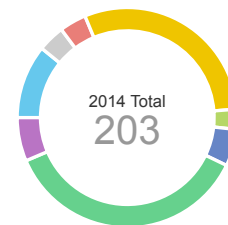
We believe there are lessons to be learned from each environmental incident, irrespective of its gravity. All environmental incidents are recorded in our Intelex database and, depending on their potential consequences, they are also investigated. The vast majority of our environmental incidents are spills. In 2014, we recorded a total of 203 spills. This compares with 213 reported spills in 2013, 162 in 2012, 138 in 2011 and 135 in 2010. Of these incidents, 11 occurred outside our mine boundaries.

In 2014, 171 spills were recorded at the Canadian Malartic mine as compared to 218 spills in 2013.

Only one spill resulted in a notice of infraction received in 2014. It occurred in December 2013 at the LaRonde mine, and it pertained to a tailings line puncture that led to tailings reaching a ditch outside the mine boundary. The tailings were immediately removed and no further action was necessary. We recorded it as a category 3 incident.

The Meadowbank mine experienced a few isolated non-compliance events at the Portage attenuation pond effluent. This effluent has now been shut down permanently. One non-compliance event was also experienced at the Vault pit attenuation pond effluent. No infraction notices were received for these one-time events. The investigation pertaining to a seepage event from the Meadowbank waste rock pile that occurred in 2013 continued throughout 2014. The La India mine received a notice of infraction in September 2014 from a regulatory inspection of the segregation of wood and scrap metal.

Canadian Malartic received 28 infraction notices in 2014, mostly related to noise, blasting fumes and overpressure. This is a 32% reduction from the number of infractions received in 2013. A total of 191 complaints were received from the public in 2014, a decrease from 203 complaints in 2013 and 457 in 2012. The reduction is due to a significant drop in noise complaints from the public. However, complaints about blasting increased slightly to 165 in 2014, as compared to 154 in 2013.



Total number of significant spills

### Legend

- LaRonde
- Goldex
- Lapa
- Kittila
- Pinos Altos
- La India
- Meadowbank
- Meliadine & Exploration

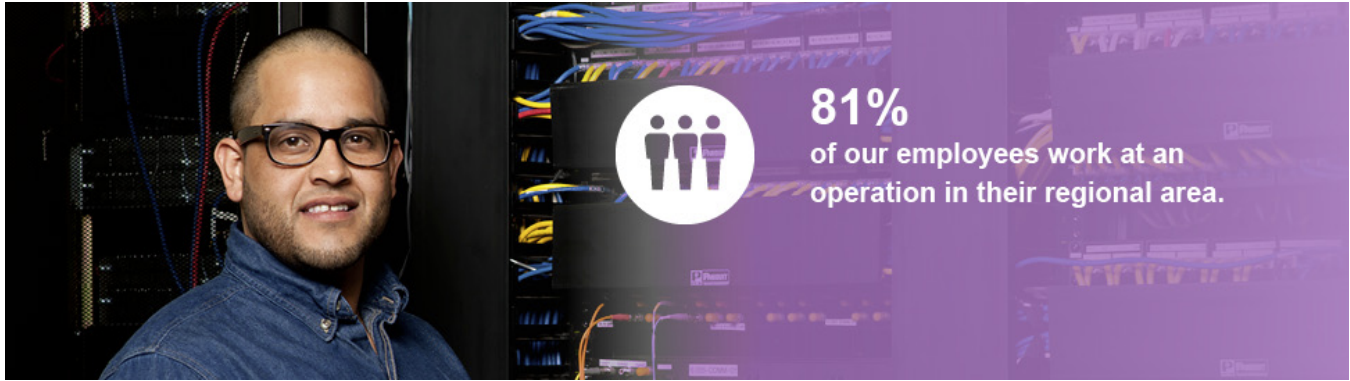
## Permitting

Kittila received an updated environmental permit in July 2013 and is appealing some of the requirements included in the permit, mostly related to the timing of the new requirements for sulphate treatment, in order to allow the mine to adapt. The decision is expected in 2015.

The Meliadine project has undergone a comprehensive environmental and socio-economic impact assessment in accordance with Article 12 of the Nunavut Land Claims Agreement (NLCA) under the direction of the Nunavut Impact Review Board (NIRB). This process took four years and involved regulatory agencies from the Government of Canada and the Government of Nunavut, the Kivalliq Inuit Association and the general public. A final public hearing on the project was held in Rankin Inlet in August 2014. In its hearing report, the NIRB recommended to the Government of Canada that the project be allowed to proceed, concluding that the project should not cause any significant adverse environmental or socio-economic impacts and would be beneficial to the economic well-being of the region. The NIRB issued a Project Certificate to Agnico Eagle for the Meliadine project in February of 2015.

**Objectives**

# Human Resources



## Our Employees

**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.**

The quality of our people has always been Agnico Eagle's competitive strength and advantage. It is critical to our future success that, even as we grow and expand our global footprint, we maintain our corporate culture where 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 non-discriminatory 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; and
- consult, communicate and provide appropriate support to employees during their association with Agnico Eagle.

In 2014, approximately 6,200 people worked for Agnico Eagle either as employees or as contractors at our sites worldwide (excluding Canadian Malartic) compared to 5,437 in 2013.

## **Training and Development Opportunities**

We respect and value our employees because our progress is built on their competence, capacity and engagement. We believe this approach helps us attract and retain the best talent to respond to the technical, operational and reputational challenges we face as we expand worldwide.

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 continue to provide training that enhances employees' personal and career development opportunities. We place a particular emphasis on health and safety training, to ensure that our employees are achieving Agnico Eagle's workplace health and safety standards. Our exploration employees, for example, receive regular first-aid training so they can take appropriate actions in the event of an accident in the field.

Training constitutes a particular challenge for our fly-in fly-out Meadowbank operation because employees are only on site 50% of the time. For this reason, an e-learning platform was developed to allow personnel to receive training even when they are not present at the site. Previously, employees had to complete two full days of training on site to receive the necessary job-specific training. Now, after completing their three hours of at-home training, employees are ready to come to work and have a safe and productive shift. In addition to reducing the amount of time each employee is away from the workplace, this change in approach has already saved more than \$2 million annually.

The online training program also facilitates a robust orientation program for new employees, while increasing overall awareness before a new employee arrives on site for the first time. Meadowbank's new General Orientation module helps familiarize these employees with the rules and Code of Conduct prior to their arrival. The training modules are available in English with French and Inuktitut subtitles.

## **Maximizing Local Employment**

Our goal is to hire 100% of our workforce, including our management teams, directly from the local region in which each of our global operations is located.

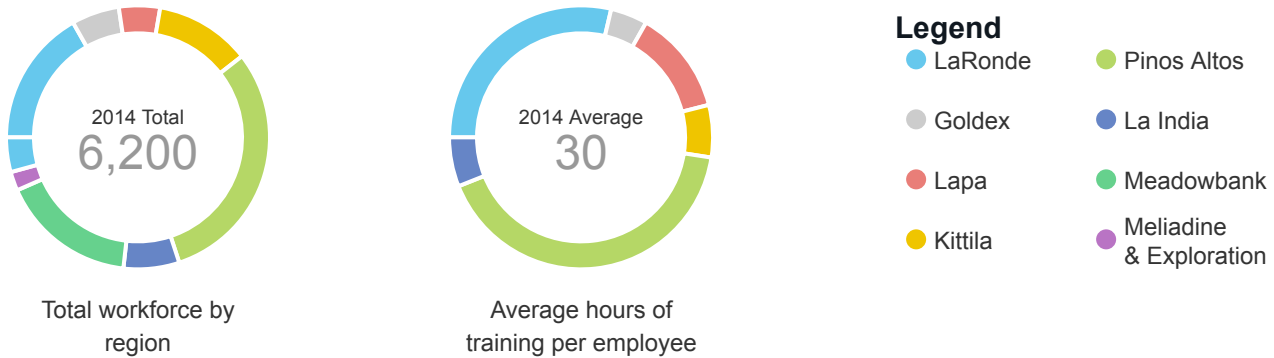
At Pinos Altos, for example, 100% of the workforce is from Mexico. The majority of people are hired from northern Mexico, with 74% of the workforce at Pinos Altos and 66% at La India coming from the northern states of Chihuahua, Sonora and Sinaloa – most of whom are drawn directly from local communities within a 10-kilometre radius of the mine.

In northern Canada, we remain focused on creating sustainable jobs and careers in mining for the Inuit population. We have development work readiness programs for new recruits and career path planning programs for our Inuit workforce – a key factor in the training component of our Inuit Impact

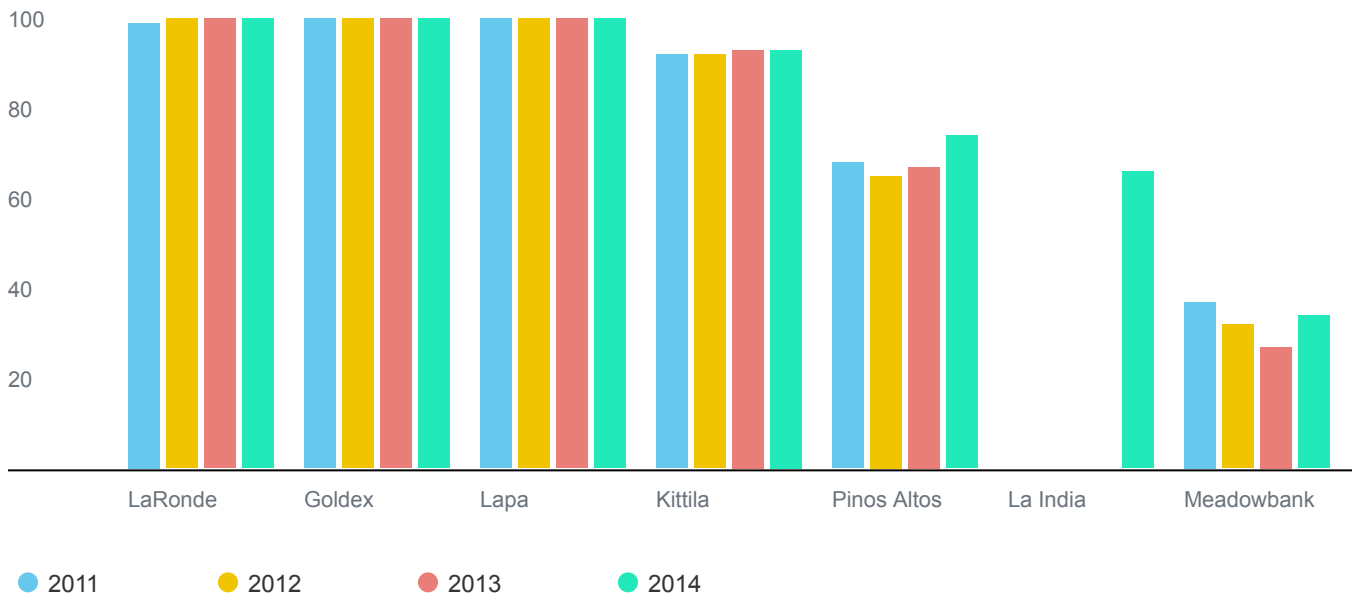


and Benefit Agreement (IIBA) for the Meliadine project. Approximately 34% of our local mine workforce is drawn from Inuit of the Kivalliq region of Nunavut.

We also made a substantial three-year investment – beginning in 2012 – 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.



**2014 Workforce Hired from the Local Community**  
(percent)



## Employee Values and Commitment

The 2014 Paul Penna Award went jointly to Charlie Tautuaqjuk from our Meadowbank mine and Megan Difrancescantonio from our Toronto office. Charlie, our Senior Coordinator of Community Relations in Nunavut, was honoured for his work with the Baker Lake Community Wellness Committee, where he helps Inuit, in particular children and youth, learn the importance of choosing a healthy lifestyle and being productive members of their community. Megan, who works in Corporate Human Resources, was honoured for her work at Sunrise Therapeutic Riding and Learning Centre in Milton, Ontario, which provides therapy to special needs children and adults through therapeutic equestrian programs. Agnico Eagle donated C\$10,000 to the community initiative or charity of choice on behalf of Charlie and Megan. We also donated C\$2,500 to the community initiative or charity of choice on behalf of everyone who was nominated for the Paul Penna Award.



Agnico Eagle's Chairman of the Board, James Nasso (left) and CEO Sean Boyd (right) present the Paul Penna Award to Charlie Tautuaqjuk and Megan Difrancescantonio in recognition of their outstanding efforts and community service.

**Objectives**

# Our Communities



**We act in a socially responsible manner and contribute to the communities in which we operate in order to make a difference in their everyday lives. We are committed to working with our employees and other stakeholders to create growth and prosperity, which allows all stakeholders to benefit from our mining activities.**

## Community Engagement

In 2014, each of our divisions completed a stakeholder mapping exercise, which was used to develop site-specific community engagement plans. The main objective of these community plans is to engage in a respectful dialogue with key stakeholders. We want our stakeholders to understand our activities and our priorities, but we also want to know what their concerns are so that we can work together toward a common goal of social acceptability.

Social acceptability is now an objective for all our projects. As early as possible in the project development phase, we want to engage with stakeholders to assess the impacts of the project on social acceptability; and use, in order of preference, an approach of avoiding, reducing or mitigating these impacts. Our exploration teams always assign a person with the responsibility for community relations, irrespective of the size of the project.

In 2014, Agnico Eagle launched a new “Speakers Program” featuring a group of more than 25 trained employees from our Abitibi-based operations in Quebec. These employees travel throughout their community to help raise the level of awareness and understanding about the mining industry. They attend town hall meetings, business functions, schools and other citizen forums to share insights into company programs and plans, such as our future recruitment needs, technological innovations, health and safety protocols, or environmental protection measures.

During the year, our sites also created community response mechanisms and established community liaison committees. Establishing such mechanisms and committees is now part of our Responsible Mining Management System (RMMS) standard, and we have developed guidelines to help new operations implement these best practices.

## Preparing for the Future

We continue to support training and capacity-building programs in our communities that provide new business and career opportunities. In Nunavut, for example, we have formed a partnership with various groups to develop a skills training program aimed at developing skilled welders who are able to work in the mining industry, including at our Meadowbank mine and Meliadine advanced-stage gold project.

The program is delivered through a partnership between Northern College of Timmins, Ontario, and the Hamlet of Arviat, with support from the Kivalliq Mine Training Society, Agnico Eagle and the Government of Nunavut. In December 2014, six students completed the second delivery of the program. They will join seven graduates from the first program who have already entered the workforce. Since 2010, Agnico Eagle has invested \$1.1 million in Arviat's Mine Training Centre.

## Investing in Our Communities

In 2014, our community investment program continued to target initiatives that enable each of our operating communities to benefit from economic development in their region, even after mining ceases. Our goal is to provide both Agnico Eagle and our host communities with optimum returns on our investments in strategic health, education and capacity-building initiatives. In 2014, we invested almost \$4 million in our local communities. Since 2009, Agnico Eagle's community investments have totalled \$18 million.

In 2014, Agnico Eagle spearheaded a unique fundraising initiative with our gold industry peers to support the Princess Margaret Cancer Foundation. Six gold bars, weighing a total of 2,400 troy ounces and worth a total value of \$3.28 million, were donated by Agnico Eagle, Barrick Gold Corporation, Goldcorp Inc., IAMGOLD, Kinross Gold Corporation, New Gold, Primero Mining Corp, Silver Wheaton Corp and Yamana Gold Inc.

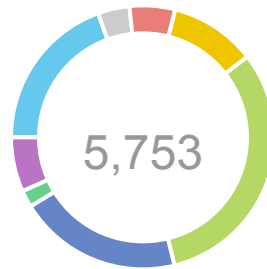
The Fonds Essor Canadian Malartic (FECM) was established by Canadian Malartic's previous owner with a mission of benefitting the population of Malartic through six areas of focus: education, environment, health and well-being, sports and recreation, arts and culture, and support for low-income families. In 2014, FECM distributed approximately \$97,000 across these six areas.

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:

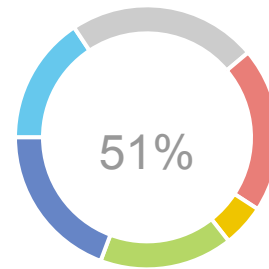
- wages and salaries paid to employees and contractors
- job creation through our various operations and projects
- payments to suppliers for goods and services
- indirect job creation and small business development in surrounding communities and towns
- upgrading of local infrastructure



Employee wages and benefits



Total workforce by region



Proportion of spending on locally based suppliers

**Legend**

- LaRonde      ● Goldex      ● Lapa      ● Kittila
- Pinos Altos      ● La India      ● Meadowbank      ● Meliadine & Exploration

**Goldex’s Proactive Communications**

The restart of the Goldex mine in 2013 was accompanied by a change in mining plan, which has resulted in an increase in blasting frequency that needed to be explained to its neighbours.

Prior to the shutdown of the mine in 2011, fewer blasts were required to fill the mill due to the larger size of excavation. Blasting was done once a week and sometimes once a month. Vibrations from blasting were therefore not very noticeable to the local population.

After the mine restart, the mining sequence was made of smaller excavations, requiring more frequent and smaller size blasts, sometimes once a day. This increase in blasting frequency needed to be explained to the surrounding community. The Goldex community relations team proactively informed the community about the changes through an explanatory article in the local newspaper about the control measures in place to minimize vibrations; by distributing a newsletter to all citizens in the city of Val-d’Or; and by responding to phone inquiries they received about the change.

## **Kittila Open House**

Kittila mine celebrated five years in production by welcoming nearly 400 visitors to its annual Open House on August 23. The event also served as the official housewarming party for the new mine office building. All departments at the mine, along with the exploration team, represented their respective activities in a series of booths and displays. Transportation was organized from Kittila to the mine site, allowing the visitors to enjoy a guided bus tour. Among the day's festivities was a children's colouring contest, and for the adults, a raffle draw to choose six lucky winners to visit the underground mine.

## Lapa Firefighters Conduct Joint Exercise With Community Counterparts



Lapa's emergency response team join members of the Fire Department of the Municipality of Rivière-Héva on the platform of the mine's headframe.

Lapa has established an industrial emergency response team of nine employees from all departments, each bringing particular key skills. The closest community to Lapa is Rivière-Héva, which has a fire brigade of its own. The two teams decided that a cooperative relationship would be mutually beneficial and that on an annual basis, they would hold a joint firefighting exercise. On November 26 at the minesite, the teams practiced together and became familiar with the site and one another, with the equipment and with their respective roles in responding to a major fire. The two brigades were able to upgrade their knowledge of the site and prepare common strategies for emergency interventions.

## LaRonde Harmonization Committee



The LaRonde Harmonization Committee was established in 2013 to create a forum for exchange between the mine and its neighbours. A variety of local stakeholders sit on the committee, including representatives of Preissac and Cadillac, the two closest communities to the mine; of the nearby campground (the closest neighbour); of the regional municipalities (Abitibi and Rouyn-Noranda); and of an environmental NGO. In 2014, at the first meeting of the committee, LaRonde focused on one of its most critical social acceptability issues, which has been the focus of much effort over the past 10 years – noise from the exhaust fans.

The mine conducted a detailed review of how it managed to resolve this historical noise problem and provided a status update on the noise abatement measures taken to date. Committee members also visited the noise abatement installation.

At the committee's second meeting, the aim was to inform members about LaRonde's tailings management process, one of the key challenges of any mining operation. The committee visited the tailings area and discussed the concept of upstream raises, which help to minimize the environmental footprint. As committee members gain a better understanding of the operations, their input will be extremely valuable to ensure that any future development at the mine is done in a socially acceptable manner.



**Objectives**

# Economic Value

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In 2014, Agnico Eagle provided over \$362 million in wages and benefits to our global workforce, paid \$250 million in taxes to all levels of government, and through our mines spent just over \$400 million on the procurement of local goods and services. We recorded net income of \$83.0 million, and for the fourth straight year reported record annual gold production.

## Generating Employment and Economic Benefits

We believe the biggest contribution we can make to the well-being of our host communities is to provide long-term employment and economic development opportunities. In 2014, Agnico Eagle paid \$362 million in global employee compensation. Through the payment of wages and benefits, we contributed approximately \$236 million to the economy of Canada, \$36 million to the economy of Finland and approximately \$49 million to the economy of Chihuahua and Sonora states in Mexico.

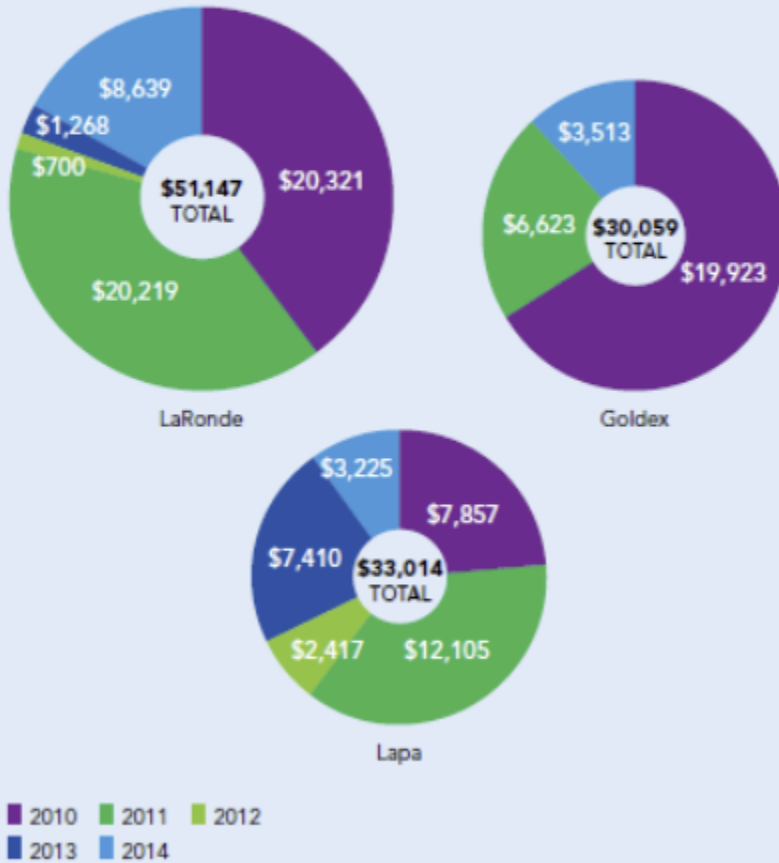
Although we do not measure the direct and indirect economic impact of employee wage spending on local goods and services, it is an important factor in Agnico Eagle's overall economic contributions to our host communities.

## Tax and Royalty Payments

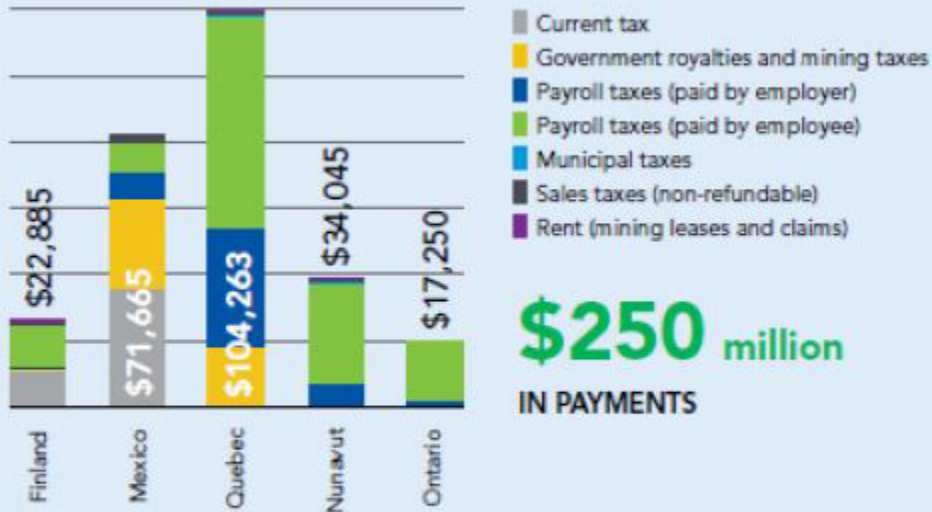
In 2014, the Canadian mining industry adopted disclosure of payments to government as best practice. Agnico Eagle is a strong supporter of this initiative, which is in direct response to increased public demand for more transparency. We will continue to increase our level of disclosure on tax payments to governments in order to highlight our economic contribution to public finances.

In 2014, we made payments in taxes and royalties to governments at all levels totalling \$250 million. We contributed approximately \$104 million in taxes and royalties to Quebec, Canada; \$34 million in taxes and royalties to Nunavut, Canada; \$17 million in taxes to Ontario, Canada; \$23 million in taxes and royalties to Finland; and approximately \$72 million in taxes and royalties to Mexico. Tax contributions to governments comprised 13% of our gross revenue in 2014.

**\$114 million**  
**IN ROYALTIES PAID TO THE GOVERNMENT OF QUEBEC SINCE 2010**



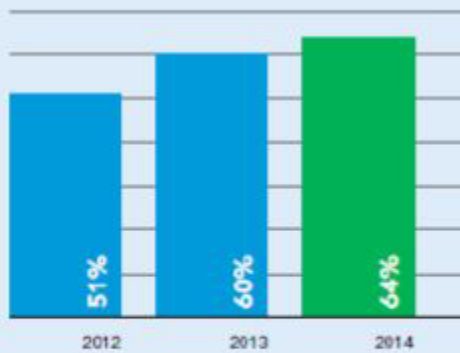
**Quebec Royalties Paid on a Mine-by-Mine Basis since 2010**  
 (\$000s)



**\$250 million**  
IN PAYMENTS

**2014 Payments to Government**  
(\$000s)

**\$400 million**  
SPENT IN 2014 ON THE PROCUREMENT OF LOCAL GOODS AND SERVICES



**Proportion of Spending on Locally Based Suppliers**

## Direct Economic Value Generated and Distributed

(thousands of US\$)

<b>Direct economic value generated</b>		
a) Revenues	\$	1,896,766
<b>Economic value distributed</b>		
b) Operating costs		
Exploration	\$	56,002
Operations		1,004,559
Total	\$	1,060,561
c) Employee wages and benefits		
Kittila	\$	36,047
Pinos Altos		39,019
La India		10,288
Lapa		22,347
Goldex		25,044
LaRonde		87,742
Regional		16,223
Meadowbank		81,231
Meliadine		4,106
Exploration		1,643
Head Office		38,533
Total	\$	362,223
d) Payments to providers of capital	\$	125,012
e) Payments to government by country/region		
i) Current tax	\$	40,100
Finland	\$	9,100
Mexico		31,000
Quebec		–
Nunavut		–
Total	\$	40,100
ii) Government royalties and mining taxes	\$	39,014
Finland	\$	360
Mexico		23,277

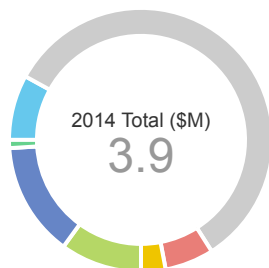
	Quebec <sup>1</sup>		15,377
	Nunavut		
	Total	\$	39,014
iii)	Payroll taxes (paid by employer)	\$	46,843
	Finland	\$	715
	Mexico		7,457
	Quebec		31,642
	Nunavut		5,616
	Head office		\$1,414
	Total	\$	46,843
iv)	Payroll taxes (paid by employee)	\$	116,955
	Finland	\$	11,351
	Mexico		7,991
	Quebec		55,503
	Nunavut		26,275
	Head office		15,836
	Total	\$	116,955
v)	Municipal taxes	\$	3,456
	Finland	\$	107
	Mexico		76
	Quebec		1,629
	Nunavut		1,644
	Total	\$	3,456
vi)	Rent (mining leases and claims)	\$	1,876
	Finland	\$	1,253
	Mexico		-
	Quebec		113
	Nunavut		510
	Total	\$	1,876
Total payments to government by country/region			
	Finland	\$	22,884
	Mexico		71,665

Quebec		104,263
Nunavut		36,581
Head Office		17,250
Total	\$	252,644
f) Community investments – voluntary contributions and community investments	\$	3,944
<b>Economic value retained</b>		
g) Retained earnings (Deficit)	\$	(779,382)

<sup>1</sup> 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.

## Buying Locally

Agnico Eagle prefers to buy 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. Local suppliers must still meet the same criteria that all potential suppliers must meet in order to do business with our Company. In 2014, our mines spent just over \$400 million on the procurement of local goods and services, with local procurement representing an average of 64% of our total procurement spending in 2014.



2014 community spending by category (percent)



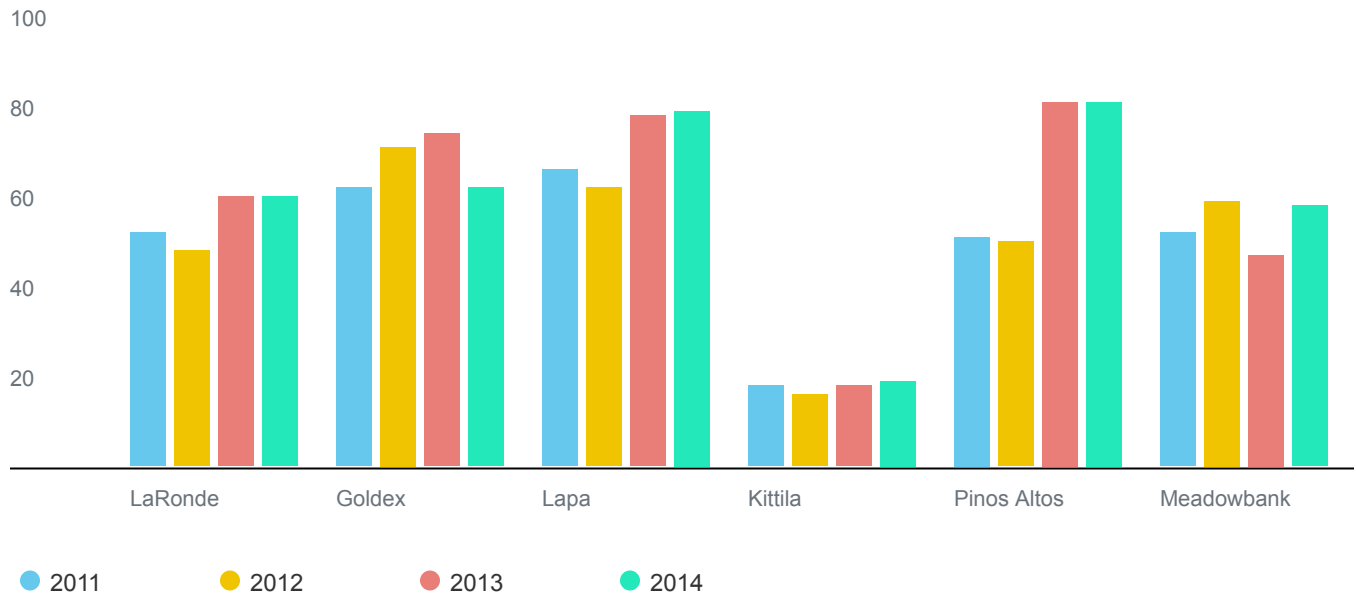
Since 2009, AEM has contributed over \$18 million to various organizations and events.

### Legend

- LaRonde
- Lapa
- Pinos Altos
- Meadowbank
- Goldex
- Kittila
- La India
- Meliadine & Exploration

### Proportion of Spending on Locally Based Suppliers

(percent)



**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 Agnico Eagle-specific indicators that recognize our values and challenges; and by principles developed by [Towards Sustainable Mining \(TSM\)](#) which strives to enable Mining Association of Canada (MAC) members to meet society's needs for minerals, metals and energy products in the most socially, economically and environmentally responsible way.

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 as to why, in our view, this indicator is not material.

The following tables present Agnico Eagle's 2014 performance data for each of these indicators.

### Aspect: AEM-Specific Organizational Indicators

#### AEM1 Number of persons who received Health, Safety and Environment Induction Training in 2014

LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
668	350	226	1,549	217	145	655	363	4,173

#### AEM2 Number of formal safety meetings with employees carried out in 2014

LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
702	192	222	165	64	426	1,020	64	2,855



**AEM3** Number of accident/incident analyses carried out in 2014 involving employees

LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
62	23	27	110	128	51	601	8	1,010

**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)

<b>Direct economic value generated</b>			
a)	Revenues	\$	1,896,766
<b>Economic value distributed</b>			
b)	Operating costs		
	Exploration	\$	56,002
	Operations	\$	1,004,559
	Total	\$	
c)	Employee wages and benefits		
	Kittila	\$	36,047
	Pinos Altos	\$	39,019
	La India	\$	10,288
	Lapa	\$	22,347
	Goldex	\$	25,044
	LaRonde	\$	87,742
	Regional	\$	16,223
	Meadowbank	\$	81,231
	Meliadine	\$	4,106
	Exploration	\$	1,643
	Head Office	\$	38,553
	Total	\$	362,223
d)	Payments to providers of capital	\$	125,012
e)	Payments to government by country/region		

i) Current tax	\$	40,100
Kittila	\$	9,100
Pinos Altos	\$	31,000
Quebec		–
Nunavut		–
Total	\$	40,100
ii) Government royalties and mining taxes	\$	39,014
Kittila	\$	360
Pinos Altos	\$	23,277
Quebec	\$	15,377
Nunavut	\$	–
Total	\$	39,014
iii) Royalties paid to land owners	\$	2,536
Kittila	\$	–
Pinos Altos	\$	–
Quebec	\$	–
Nunavut	\$	2,536
Total	\$	2,536
iv) Payroll taxes (paid by employer)	\$	46,843
Kittila	\$	715
Pinos Altos	\$	7,457
Quebec	\$	31,642
Nunavut	\$	5,616
Head office	\$	1,414
Total	\$	46,843
v) Payroll taxes (paid by employee)	\$	116,955
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Total	\$	116,955

vi)	Municipal taxes	\$	3,456
	Kittila	\$	107
	Pinos Altos	\$	76
	Quebec	\$	1,629
	Nunavut	\$	1,644
	Total	\$	3,456
vii)	Sales taxes (non-refundable)	\$	1,864
	Kittila	\$	—
	Pinos Altos	\$	1,864
	Quebec	\$	—
	Nunavut	\$	—
	Total	\$	1,864
viii)	Rent (mining leases and claims)	\$	1,876
	Kittila	\$	1,253
	Pinos Altos		—
	Quebec	\$	113
	Nunavut	\$	510
	Total	\$	1,876
<b>Total payments to government by country/region</b>			
	Kittila	\$	22,884
	Pinos Altos	\$	71,665
	Quebec	\$	104,263
	Nunavut	\$	36,581
	Head Office	\$	17,250
	Total	\$	252,644
f)	Community investments — voluntary contributions and community investments	\$	3,944
<b>Economic value retained</b>			
g)	Retained earnings	\$	(779,382)

**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 mine sites.

**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

LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank
None	None	None	None	None	None

**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)	La India	Meadowbank	Exploration
The ratio of the mine's entry level wage to the local minimum wage = EC5A/EC5B	2.9	3.1	2.8	1.2	2.6	2.6	0.0	2.1

**Aspect: Market Performance**
**EC6** Policy, practices and proportion of spending on locally based suppliers at significant locations of operation

	LaRonde	Goldex	Lapa	Kittila
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)	60%	62%	79%	19%
Total purchases for division	\$219,121,282.93	\$82,912,492.23	\$51,949,647.54	€129,568,744.55
Total purchases for division in local region	\$132,246,437.36	\$51,448,090.28	\$41,166,423.31	€24,514,999.44

	Pinos Altos	La India	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)	81%	88%	58%	64%
Total purchases for division	MXN\$139,237,209.84	MXN\$540,319,104.00	\$230,404,685.00	
Total purchases for division in local region	MXN\$112,782,139.97	MXN\$473,600,252.00	\$132,635,147.66	

**AEM4** Summary of Nunavut expenditures for 2014

	Meadowbank	Meliadine	Total
Total expenditures	230,404,685	42,777,118	273,181,803
NTI registered	86,251,367	20,691,326	106,942,693
Nunavut based	105,096,206	12,088,442	117,184,648
Northern based	105,605,869	27,029,279	132,635,148
Baker Lake based	37,676,009	707,788	38,383,797
Rankin Inlet based	50,981,985	9,667,715	60,649,700
Kivalliq	90,004,257	10,375,502	100,379,759

**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	La India	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%	100%	100%	93%	74%	66%	34%	83%	81%
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%	100%	100%	50%	73%	78%	0%	76%	72%

This indicator is not applicable for the exploration program, as the location of the exploration office frequently is different than the exploration site itself.

**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	Every year, AEM gives to the palliative care hospices in the surrounding areas (Amos, Val-d'Or and Rouyn).
Goldex	
Lapa	
Kittila	None
Pinos	None
Meadowbank	Cell service in Baker Lake continues, a project that we developed. Cleanup of 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*	La India	Meadowbank	Total
Tonnes of ore milled	2,085,000	2,117,000	639,000	1,156,000	4,314,000	4,442,000	4,129,000	18,882,000
Tonnes of waste rock mined	710,771	128,523	251,664	830,053	20,304,634	5,204,180	28,332,627	55,762,452

\* 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	La India	Meadowbank	Total
Percentage of materials used that are recycled input materials	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Aspect: Energy**
**EN3** Direct energy consumption by primary energy source

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
a) How much diesel fuel was used to generate power at this minesite (litres)?	–	–	–	–	754,048	4,296,955	36,097,642	1,080,298	42,228,943
b) How much diesel fuel was used by mining equipment (heavy equipment and lighter vehicles) at this minesite (litres)?	4,526,121	1,910,476	1,711,601	165,681	16,853,562	6,700,372	28,405,645	1,988,872	62,262,330
c) Was diesel fuel used for any other purposes? If yes – what was this fuel used for?	–	–	–	Blasting	–	–	–	–	–
d) If yes – how much diesel fuel was used for this purpose (litres)?	–	–	–	202,574	–	–	–	–	202,574
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 and heavy fuel oil	–	–	–	–	–



	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
g) If yes – how much of this fuel was used to heat mine air? Natural gas (m <sup>3</sup> )	5,836,277	1,934,898	1,716,667	–	–	–	–	–	9,487,842
Propane (litres)	–	–	–	–	–	–	–	–	–
Diesel (litres)	–	–	–	425,624	–	–	–	–	425,624
h) How much gasoline was used at this minesite (litres)?	92,603	70,626	4,951	–	526,394	384,898	12,194	60,593	1,152,259
i) How much aviation fuel was used at this minesite (litres)?	–	–	–	–	48,000	31,680	1,225,060	42,275	1,347,015
j) How much propane (other than for mine air heating) was used at this minesite (litres)?	–	–	–	204,940	–	–	7,300	–	212,240
k) Was any other fuel used by the division and how much (litres)?	–	–	–	2,040,278	–	–	–	–	2,040,278
l) If yes – what type of fuel?	–	–	–	–	555,987	156,710	–	–	712,697
n) Natural gas for heating buildings and air compressors (m <sup>3</sup> )	1,950,759	–	–	–	–	–	–	–	1,950,759
o) Total quantity of diesel used at the mine (litres)	4,526,121	1,910,476	1,711,601	2,631,583	17,810,184	10,997,327	64,503,287	3,069,170	107,159,749

<sup>1)</sup> 1,000 litres is 1 m<sup>3</sup>.

**EN4** Indirect energy consumption by primary source

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
Electricity purchased from an outside utility (kWh)	368,963,329	121,627,199	56,000,075	159,974,810	112,787,350	–	–	7,196	819,359,959

**EN4a** Electricity generation on site

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
Electricity generated on site (kWh)					2,592,056	11,724,681	143,447,571		157,764,308

**EN5** Energy saved due to conservation and efficiency improvements – Initiatives implemented in 2014

**Estimate of the amount of energy saved over the past year**

LaRonde	48 DEL lamps (C1820-150W) to replace 48 MH 400W lamps: 315,457 kWh
Lapa	Automation of the underground ventilation (2014): 211,168 kWh Addition of capacitor in the electricity grid (2014): 2,347 kWh
Kittila	Heat recovery savings: 12,270,000 kWh Optimization of ventilation saved 1,285 MWh in 2014 and work is continuing: 1,285,000 kWh
Pinos Altos	1,204,000 kWh
Meadowbank	Generator efficiency improvement with new operation matrix at the Power House. Replacement of electrical heaters by glycol heaters. Replacement of fuel heaters (Frost fitter) by glycol heaters. Installation of an automatic “fuel tracking system” to follow our fuel consumption (not done yet). Estimate is difficult to calculate but we estimate up to \$500,000 in cost savings.

**Aspect: Water**
**EN8 Total water withdrawal by source**

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	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 <sup>3</sup> )	922,671	1,228,719	211,168	1,308,215	2,707	–	1,096,829	27,380	4,797,689
2) Total amount of groundwater (well water) pumped by AEM at this minesite (m <sup>3</sup> )	4,456	–	2,347	51,474	622,109	418,139	–	7,721	1,106,246
3) Total amount of rainwater (and snowmelt) collected directly, stored and used by AEM at this minesite (m <sup>3</sup> )	–	–	–	–	199,279	–	–	–	199,279
4) Total amount of municipal water (water taken from a town system) used by AEM at this minesite (m <sup>3</sup> )	–	8,114	–	–	–	–	–	2,000	10,114
1+2+3+4) Total volume of all fresh water used for all mine uses (m <sup>3</sup> )	927,127	1,236,833	213,515	1,359,689	824,095	418,139	1,096,829	37,100	6,113,327

**EN9** Water sources significantly affected by withdrawal of water

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank
Where does the mine get its fresh water (name of lake, river, stream or groundwater)?	Lac Chassignol	Thompson River	Héva River	Seurujoki River	Victoria, El Castor, Pozo 2	La Chipriona GW	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	N/A	N/A	446,000,000
If a river or stream, what is the average flow in cubic metres per second?	–	6,200	0.42	4.02	N/A	N/A	–
Is the source designated as a protected area (nationally and/or internationally)?	No	No	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	No	No
Number of protected species in the waterbody	–	–	–	–	–	N/A	–
Is the waterbody a Ramsar-listed wetland or any other nationally and/or internationally proclaimed conservation area?	No	No	No	No	No	No	No

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank
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	No
Based on the above, is the water source significantly affected by the withdrawal?	No	No	No	No	No	No	No

**EN10** Percentage and total volume of water recycled and reused

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration <sup>1</sup>	Total
Total volume of water recycled and reused at this minesite (cubic metres)	3,993,666	2,194,266	177,104	2,638,071	2,530,144	27,450	2,459,907	–	14,020,608
Percent recycle/reuse	433%	179%	84%	202%	307%	7%	224%	0%	

<sup>1</sup> 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	La India	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	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 <sup>1</sup>	La India	Meadowbank	Exploration
At this minesite, is the mine having any significant impact on biodiversity?	No	No	No	No	No	No	No	No

<sup>1</sup> At 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	La India	Meadowbank	Exploration	Total
Total land area in hectares owned or leased that makes up the minesite	785	517	70	1,147	7,754	0	2,451	455,073	467,797
Total of this land area that is physically disturbed by mine activity (Ha)	706	330	12	1,147	532	0	2,451	193	5,371
Total of this land that has been reclaimed (Ha)	0	0	0	0	0	0	0	9	9

**EN13** Habitats protected or restored

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
At this minesite, was there any mine-impacted land restored in 2013? If yes – please describe the restoration completed and the amount (Ha) of land restored.	No	No	No	No	No	No	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.	–	–	–	–	–	–	–	–

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



Our sustainable development policy requires that biodiversity conservation and land use planning considerations be integrated through all stages of business and production activities. Each operating division has prepared a biodiversity conservation plan, which includes biodiversity baseline studies, an assessment of the risk to biodiversity and measures to mitigate the identified risks. We apply the biodiversity conservation protocol of the Toward Sustainable Mining (TSM) initiative of the Mining Association of Canada (MAC) to all our divisions. Each division internally audits its biodiversity conservation management against the TSM indicators on an annual basis and performs an external audit every three years.

In addition:

1. At the planning stage of our projects, we are trying as much as possible to reduce our ecological footprint, to minimize our impact on biodiversity. That's how Lapa and Goldex were developed.
2. At the project development and permitting stage we verify the presence of any endangered, protected or threatened species according to the provincial and federal list of endangered or threatened species or wetland and we devise mitigation measures to minimize impact. The mitigation measures include habitat compensation. 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).
3. Throughout the operation of the project, we are trying to perform progressive reclamation of areas no longer in use. In doing that, we recreate habitat for biodiversity (reptile, wildlife, birds and mammals). LaRonde and Pinos Altos did some reclamation works in 2010/11 in areas that consisted in planting trees. These works are quantified in terms of surface area revegetated.
4. At the closure stage, we aim at returning the site as close as possible to the original biodiversity state.
5. We are conducting environmental effect monitoring studies in receiving waters of their effluent as part of the requirements to 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 up 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	La India	Meadowbank	Exploration
Are there any lands on the minesite where a biodiversity management plan is required?	No	No	No	No	No		No	Yes
Does a biodiversity plan exist for these sites?	Yes	Yes	Yes	Yes	Yes		Yes	Yes

**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	La India	Meadowbank	Exploration
None	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 <sup>2</sup>	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Total
Total Direct GHG Emissions	27,306	8,937	7,986	7,543	51,896	31,763	181,919	317,349
Total Indirect GHG Emissions	3,358	1,107	510	9,806	52,987	–	–	67,768
Total GHG Emissions	30,664	10,044	8,495	17,349	104,883	31,763	181,919	385,117
GHG Intensity <sup>1</sup>	0.015	0.005	0.013	0.015	0.024	0.007	0.044	0.0204

<sup>1</sup> CO<sub>2</sub> equivalent per tonne of ore processed (tonne of CO<sub>2</sub> equivalent per tonne milled).

<sup>2</sup> Goldex was only in operation from September 2013 onward.

**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 carpooling 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	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
Were any initiatives taken at this minesite in 2014 to reduce greenhouse gas emissions – yes or no?	No	No	No	No	No	No	No	No
If yes – please describe the initiative and estimate the emission reduction achieved.	–	–	–	–	–	–	–	–

\* All of the energy related reduction initiatives are also contributing to a reduction of greenhouse gas emissions.

**EN19** Emissions of ozone-depleting substances by weight

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Ozone-depleting substances emitted in 2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	None

**EN20** NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions by type and weight

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank	Exploration	Total
Estimated SO <sub>x</sub> emissions from fuel (tonnes) in 2014	25	10	9	14	103	348	N/A	484
Estimated NO <sub>x</sub> emissions from fuel (tonnes) in 2014	384	161	143	215	1,470	5,298	N/A	7,287

**EN21** Total water discharge by quality and destination

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
a) Volume of final effluent discharged to the receiving environment at this minesite (m <sup>3</sup> )	2,960,272	874,068	199,366	3,160,324	21,159	–	680,552	Varies per site	7,895,741
What type of effluent treatment is used at this mine?	Chemical + biological	N/A	Stripping ammonia tower; precipitation of suspended solid	Sedimentation	Activated sludge	Activated sludge	Actiflow for TSS	Varies per site	N/A
b) Volume of sewage (black and grey water) discharged by the mine into a municipal sewage treatment system (m <sup>3</sup> )	None	None	None	672	None	None	None	Varies by site	672
c) Volume of sewage (black and grey water) treated at the mine and discharged to the receiving environment (m <sup>3</sup> )	26,181	7,300	2,345	7,094	–	–	–	Varies by site	42,920
d) What type of sewage treatment system is used at this minesite?	Septic field + treatment ponds	Septic field + UV treatment	Septic tank followed by biological treatment (Bionest) + UV treatment	Biological	Activated sludge	Activated sludge	Rotary biological contactor	Varies by site	

**EN22** Total weight of waste by type and disposal method

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
Paper and cardboard (tonnes)	59	16	8	7	8	13	–	–	111
Plastics (tonnes)	–	–	1	11	0	6	–	–	18
Metals (tonnes)	23,693	390	86	606	789	257	1,359	–	27,180
Wood (tonnes)	302	108	57	231	2	41	–	–	740
Used oil sent off site for treatment/disposal or used on site as fuel (litres)	309,827	24,185	39,650	45,689	351,043	106,140	561,250	240	1,438,024
Waste stored or disposed of on site	–	–	–	–	–	–	–	–	0
Contaminated soil stored on site in 2014	–	–	–	–	306	269	5,764	–	6,339
Contaminated soil treated on site at a landfarm in 2014	–	–	–	–	–	–	5,764	–	5,764
Domestic garbage sent to an on-site landfill facility (tonnes)	–	–	–	–	545	45	8,400	–	8,990
Domestic garbage sent to an on-site incinerator (tonnes)	–	–	–	–	–	–	568	–	568
Waste stored or disposed of off site	–	–	–	–	–	–	–	–	0
Domestic garbage sent to off-site municipal landfill (tonnes)	368	183	140	682	–	–	–	1	1,374
Contaminated soil shipped off site for disposal at a licensed facility (tonnes)	–	–	–	15	116	52	–	–	183
Total domestic waste generated in 2014	24,422	696	292	1,537	1,344	362	10,327	1	38,981
Hazardous wastes shipped by the mine to a licensed off-site disposal/recycling facility (tonnes)	242	36	–	–	306	269	390	–	1,243
Percentage of total domestic waste recycled at each site	98%	74%	52%	56%	59%	88%	13%	0%	

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

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Total
Overburden mined (tonnes)	–	–	–	–	–	–	–	–
Waste rock mined (total) (tonnes)	710,771	–	–	448,229	–	–	10,143,136	11,302,136
Waste rock returned underground as backfill (tonnes)	376,310	–	–	153,749	–	–	4,765,647	5,295,706
Waste rock used in tailings dam construction (tonnes)	251,087	–	–	230,328	–	–	806,368	1,287,783
Waste rock used in other construction (tonnes)	–	–	–	12,104	–	–	246,317	258,421
Waste rock placed on surface waste rock piles (tonnes)	334,461	–	–	52,048	–	–	2,564,565	2,951,074
Mill tailings (total) (tonnes)	2,035,977	–	669,380	1,156,368	–	–	4,129,143	7,990,868
Mill tailings returned underground as backfill (tonnes)	586,593	–	–	209,674	–	–	–	796,267
Mill tailings placed in surface tailings containment (tonnes)	1,449,384	–	669,380	946,694	–	–	4,129,143	7,194,601

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

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Total
Overburden (tonnes)	–	–	–	251,500	–	350,000	336,966	938,466
Tonnes of ore loaded onto heap leach pad	–	–	–	–	2,361,600	4,601,359	–	6,962,959
Total waste rock (tonnes)	710,771	128,523	251,664	830,053	20,304,634	5,204,180	28,332,627	55,762,452
Returned underground as backfill (tonnes)	376,310	–	171,651	480,550	–	–	7,122,438	8,150,949
Used in tailings dam construction (tonnes)	251,087	–	80,013	379,328	–	–	969,092	1,679,520
Used in other construction (tonnes)	–	39,000	–	272,634	–	–	2,778,265	3,089,899
Placed on surface waste rock piles (tonnes)	334,461	89,523	(65,131)	52,048	20,304,634	5,204,180	17,462,832	43,382,547
Total mill tailings (tonnes)	2,035,977	2,086,027	669,380	1,156,368	1,509,219	–	4,129,143	11,586,114
Returned underground as backfill (tonnes)	586,593	883,952	–	209,674	532,453	–	–	2,212,672
Percentage of tailings returned underground as backfill	29%	42%	0%	22%	35%	0%	0%	33%
Placed in surface tailings containment (tonnes)	1,449,384	1,202,075	669,380	946,694	142,365	–	4,129,143	8,539,041

**EN23** Total number and volume of significant spills

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
<b>All spills</b>	22	8	8	61	6	11	74	13	203
Number of spills inside the minesite boundary	20	8	8	58	5	11	69	13	192
Total volume of spills inside the minesite boundary (litres)	75,278	501	54	208,253	1,030	2,900	4,566	498	293,080
Average volume of spills inside the minesite boundary (litres)	4,273	63	6	4,083	1,030	250	68	28	9,801
Number of spills outside the minesite boundary	2	–	–	3	1	–	5	–	11
Total volume of spills outside the minesite boundary (litres)	125,002	–	–	15	500	–	410	–	125,927
Average volume of spills outside the minesite boundary (litres)	65,501	–	–	5	500	–	63	–	66,069
<b>Spills &gt; 100 litres</b>	6	3	–	16	4	–	7	–	36
Number of spills inside the minesite boundary	6	3	–	16	3	9	5	–	42
Total volume of spills inside the minesite boundary (litres)	2,200	396	–	206,625	900	900	1,420	–	212,441
Average volume of spills inside the minesite boundary (litres)	311	132	–	12,914	900	225	215	–	14,697



	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
Number of spills outside the minesite boundary	-	-	-	-	1	-	2	-	3
Total volume of spills outside the minesite boundary (litres)	-	-	-	-	500	-	350	-	850
Average volume of spills outside the minesite boundary (litres)	-	-	-	-	500	-	-	88	588
<b>Spills &gt; 1,000 litres</b>	6	-	-	4	-	-	1	-	11
Number of spills inside the minesite boundary	5	-	-	4	-	2	1	-	12
Total volume of spills inside the minesite boundary (litres)	60,500	-	-	200,000	-	2,000	1,000	-	263,500
Average volume of spills inside the minesite boundary (litres)	11,056	-	-	50,000	-	1,000	250	-	62,306
Number of spills outside the minesite boundary	1	-	-	-	-	-	-	-	1
Total volume of spills outside the minesite boundary (litres)	125,000	-	-	-	-	-	-	-	125,000
Average volume of spills outside the minesite boundary (litres)	125,000	-	-	-	-	-	-	-	125,000

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Total
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	La India	Meadowbank	Exploration
Did this minesite ship any hazardous waste outside the country in 2014 – yes or no?	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	La India	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	None	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	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	4.02	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	N/A	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	No	Varies by site
Number of protected species in the waterbody	0	N/A	N/A	N/A	N/A	N/A	N/A	Varies by site

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
Is the waterbody a Ramsar-listed wetland or any other nationally and/or internationally proclaimed conservation area?	No	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?	Yes	No	No	No	No	No	No	Varies by site
Based on the above, is the waterbody significantly affected by the discharge?	Yes	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	La India	Meadowbank	Exploration
The percentage of reclaimed products and their packaging materials for each category of products	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
How the data for this indicator has been collected	N/A	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	La India	Meadowbank	Exploration
Was this mine charged in 2014 for any non-compliance events with environmental laws and regulations – yes or no?	Yes	Yes	No	No	No	Yes	No	No
What was the total amount of fines or penalties levied against the mine in 2014 for non-compliance with environmental laws and regulations (US\$)?	–	–	–	–	–	–	–	–

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
Was any action taken against this mine in 2013 for non-compliance events with environmental laws and regulations?	No	No	No	No	No	Yes	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 Cyanide Management Code, for the manufacture, transport and use of cyanide in the production of gold.

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	La India	Meadowbank
How much did this mine spend on environmental protection and management in 2014?	C\$14,146,724.00	C\$388,000.00	C\$816,758.00	€1,953,178	US\$2,960,728.00	US\$411,538.00	C\$25,147,829.97
Environment management budget	C\$1,624,568.00	C\$306,000.00	C\$536,604.00	€1,975,629	US\$885,918.00	US\$407,430.00	C\$3,667,781.07
Environment capital expenditures (Impoundment + infrastructures)	C\$5,959,423.00	C\$ –	C\$ –	€4,772,969	US\$1,924,515.00	US\$450,000.00	C\$20,913,064.90
How much did this mine spend on waste disposal, water treatment and remediation in 2014?	C\$6,562,733.00	C\$82,000.00	C\$94,713.00	€4,657,539	US\$150,295.00	US\$211,681.00	C\$566,984.00

**GRI Labour Practices and Decent Work Performance Indicators**
**LA1** Total workforce by employment type, employment contract and region

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Corporate & Administration	Total
Total number of employees (AEM, contractors, full time and temporary) working at this minesite in 2014	1,042	363	313	728	1,890	424	1,033	144	264	6,201
Total number of AEM employees working at this mine in 2014 (Q4)	857	246	201	641	1,648	377	809	41	256	5,076
AEM – full time employees (Q4)	841	241	198	598	1,596	377	693	40	242	4,826

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration	Corporate & Administration	Total
AEM – part time employees (Q4)	16	5	3	43	52	–	116	21	14	270
Total number of contractor employees working at this mine in 2014 (Q4)	185	117	112	87	242	47	224	83	8	1,097

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

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos <sup>2</sup>	La India	Meadowbank <sup>1</sup>	Exploration	Total
Total number of AEM employees leaving employment at this mine in all of 2014	29	5	24	15	168	87	152	48	528
<b>Breakdown of this number by gender (employees leaving)</b>									–
Female	2	–	1	1	19	16	41	7	87
Male	27	5	23	14	149	71	111	41	441
<b>Breakdown of this number by age group (employees leaving)</b>									–
< 30 years old	10	–	5	2	17	131	51	19	235
30 to 50 years old	13	2	17	6	19	219	75	20	371
> 50 years old	6	3	2	7	3	27	26	9	83
<b>Breakdown of this number by region (employees leaving employment)</b>									97
	–	–	–	–	29	68	–	–	97



	LaRonde	Goldex	Lapa	Kittila	Pinos Altos <sup>2</sup>	La India	Meadowbank <sup>1</sup>	Exploration	Total
Number who are local employees (economic region in which the mine is located)	27	5	21	12	1	19	108	20	213

<sup>1</sup> 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.

<sup>2</sup> 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	La India	Meadowbank	Exploration
<b>Are the following benefits offered to AEM full time employees – yes or no?</b>								
Life insurance	Yes	Yes	Yes	Yes	Only SAEM	Only SAEM	Yes	Varies by site
Health care (additional to government provided health care)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Disability/invalidity coverage	Yes	Yes	Yes	Yes	Provided by government	Provided by government	Yes	Yes
Maternity/paternity leave	Yes	Yes	Yes	Yes	Provided by government	Provided by government	Yes	Yes
Retirement provision	Yes	Yes	Yes	Yes	Provided by government	Provided by government	Yes	Yes
Stock ownership	Yes	Yes	Yes	Yes	Salary only	Salary only	Yes	Varies by site
<b>Are the following benefits offered to AEM temporary employees – yes or no?</b>								
Life insurance	Yes	Yes	Yes	Yes	Only SAEM	Only SAEM	No	Varies by site

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

**LA4** Percentage of employees covered by collective bargaining agreements

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
What percentage of AEM employees are covered by a collective bargaining agreement at this minesite?	0%	0%	0%	99%	80%	76%	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	La India	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	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	La India	Meadowbank	Exploration
Total number of strikes and lockouts that exceeded one week's duration during the reporting period, by country	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**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	La India	Meadowbank	Exploration
Does this mine have a formal Health and Safety Committee with labour and management representation?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
What proportion of the workforce is represented on this committee?	100%	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 + Mascota	La India	Meadowbank	Meliadine	Exploration	Total (includes regional 165,411 + Corporate 236,856)
Person hours worked	2,045,905	663,881	649,531	1,402,944	3,810,688	1,215,053	2,085,225	298,960	114,454	12,688,908
Number of fatalities	0	0	0	0	0	0	0	0	0	0
Number of lost-time accidents	4	1	8	17	4	1	3	–	1	39
Number of light duty assignments	14	12	8	4	9	–	8	–	–	55
Days lost (LTA)	541	187	226	231	598	6	21	–	–	1,810
Days lost (LDA)	414	101	165	53	375	–	35	–	–	1,143
Number of medical aid incidents	20	8	22	17	61	24	26	4	–	182
First aid	213	44	90	15	36	19	105	51	–	573
Reported	293	90	78	36	–	–	133	–	–	630
Incident	208	91	81	226	18	7	326	26	–	983
Total	752	534	287	315	128	51	601	81	–	2,749
Frequency (combined)	1.76	3.92	4.93	2.99	0.68	0.16	1.06	–	1.75	1.48

Note: 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.

**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	La India	Meadowbank	Exploration
In 2014, did the mine provide training to assist workforce members in preventing/managing serious disease – yes or no?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If yes – was this training given to:								
Employees	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Employees' families	No	No	No	No	Yes	Yes	No	No
Other members of the community	No	No	No	No	Yes	Yes	No	No

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

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
Is Health and Safety covered in any formal agreement with trade unions at this mine in 2014 – yes or no?	No	No	No	No	No	No	No	No

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

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Total
Total person hours devoted to training personnel at the mine in 2014	20,877	1,519	7,104	4,250	66,923	4,877	37,656	94,048
Average hours of training = Total hours devoted to training/Total number of employees (in hours)	25	6	36	10	41	13	47	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	La India	Meadowbank	Exploration
Did the mine offer internal skills training programs at the mine in 2014?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Did the mine have any apprenticeship training programs in place in 2014?	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
If yes – how many apprenticeships were in place in 2014?	54	–	2	1	–	3	8	1
Did the mine offer any programs to help employees prepare for retirement in 2014 – yes or no?	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes

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

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
What percent of all employees at this mine received regular performance and career development reviews in 2014?	100%	34%	8%	96%	51%	100%	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	La India	Meadowbank	Exploration
Percentage of workforce at this mine who are male	94%	94%	96%	87%	86%	80%	84%	73%
Percentage of workforce at this mine who are female	6%	6%	4%	13%	14%	20%	16%	27%
< 30 years old	15%	8%	24%	19%	36%	45%	28%	19%
30 to 50 years old	59%	58%	53%	58%	58%	49%	49%	59%
> 50 years old	27%	34%	23%	23%	6%	6%	23%	22%



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

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
Average wages paid to all male employees at this site	\$85,629	\$82,694	\$114,919	\$58,000	C\$304	MXN 498.45	\$104,045	Varies by site
Average wages paid to all female employees at this site	\$71,511	\$78,518	\$74,398	\$52,000	C\$233	MXN 335.76	\$59,852	Varies by site
Ratio: Men's average salary/women's average salary	1.20	1.05	1.54	1.12	1.30	1.48	1.74	1.24

## 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	La India	Meadowbank	Exploration
Did this mine provide training to its employees in 2014 on human rights policies or cross-cultural awareness training – yes or no?	No	No	No	No	Yes	Yes	Yes	Yes
If yes – how many hours of training were provided?	–	–	–	–	352	420	905	Data not available
If yes – approximately what percentage of the workforce received this training?	–	–	–	–	8%	10%	13%	90%

**Aspect: Non-discrimination**
**HR4** Total number of incidents of discrimination and actions taken

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
In 2014, at this minesite were there any formal complaints of discrimination or harassment submitted by employees or contract employees – yes or no?	Yes	No	No	Yes	No	No	No	No
If yes – was the incident investigated and what was the outcome?	Yes: Disciplinary measure for the first event and sensibilization meetings for the second	–	–	Yes, resignation	–	N/A	–	–
How many incidents were investigated? (please list outcome)	2	–	–	2	0	N/A	–	–

## 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	La India	Meadowbank	Exploration
Not at risk	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	La India	Meadowbank	Exploration
Not at risk	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	La India	Meadowbank	Exploration
Not at risk	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	La India	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%	95%	80%	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 <sup>1</sup>	La India	Meadowbank <sup>2</sup>	Meliadine	Exploration
Operation adjacent or on indigenous peoples' territory	No	No	No	No	No	No	Yes	Yes	Yes
Formal agreements in place	No	No	No	No	No	No	Yes	Yes	Yes

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

<sup>2</sup> The 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 peoples and actions taken

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
In 2014, 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	No

## 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 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 in 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	La India	Meadowbank	Exploration
None	None	None	None	None	None	None	None

### Aspect: Corruption

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

In 2014, 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 in terms of reputation) 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	La India	Meadowbank	Exploration
None required in 2014	None required in 2014	None required in 2014	None required in 2014	None required in 2014	None required in 2014	None required in 2014	None required in 2014

**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	La India	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	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	N/A

**MM9** 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	La India	Meadowbank	Exploration
Number of households involved in any resettlement program	None	None	None	None	None	None	None	None
Number of individuals impacted directly by resettlement, or an informed estimate of the number	None	None	None	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	None	None	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	None



**MM10** Number and percentage of operations with closure plans

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Exploration
Does this minesite have a completed closure and reclamation plan?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
Has it been submitted to the regulatory authorities for approval?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
Has the plan been formally approved by the regulatory authority?	Yes	Yes	Yes	Yes	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	La India	Meadowbank	Exploration
In 2014, were there any formal grievances submitted to the mine by local communities – yes or no?	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	La India	Meadowbank	Exploration
Were there any incidents affecting employees, communities or the environment that occurred at this mine in 2014 where the mine's emergency preparedness procedures were activated – yes or no?	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	La India	Meadowbank	Exploration
100%	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	La India	Meadowbank	Exploration
None required in 2014	None required in 2014	None required in 2014	None required in 2014	None required in 2014	None required in 2014	None required in 2014	None required in 2014

**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 publically 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	La India	Meadowbank	Exploration
Did the mine make any financial or in-kind contributions to political parties, politicians, or related institutions in 2014 – yes or no?	None	None	None	None	None	None	None	None

**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	La India	Meadowbank	Exploration
	None	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	La India	Meadowbank	Exploration
	None	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 directly 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 who 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	La India	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	None

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	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 warning	None	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	None

### Aspect: Product and Service Labelling

**PR3** 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	La India	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	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	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	None

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

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	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	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	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	La India	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	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	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	None



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

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	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	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	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	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 eight operating mines in 2014 for non-compliance with laws and regulations concerning the provision and use of its products or services.



**TSM Performance Element**

# Towards Sustainable Mining Initiative – AEM Self-Assessment for 2014

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

<sup>1</sup> Lapa has no tailings facility.

Energy Use and GHG Emissions Management Assessment	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank
EGHG1 Energy use and GHG management system	AA	–	–	A	B	A
EGHG2 Energy use and GHG reporting system	A	A	A	A	A	A
EGHG3 Energy use intensity performance target	A	–	–	A	B	A

Aboriginal and Community Assessment	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	Meadowbank
CR1 Community of interest identification	AA	AA	AA	AAA	AA	AA
CR2 Effective community of interest engagement and dialogue	AA	AA	A	AA	A	A
CR3 Community of interest response mechanism	AAA	AAA	A	AA	A	B
CR4 Reporting	A	AA	A	A	A	B

<b>Crisis Management Planning Assessment</b>	<b>LaRonde</b>	<b>Goldex</b>	<b>Lapa</b>	<b>Kittila</b>	<b>Pinos Altos</b>	<b>Meadowbank</b>
CM1 Crisis management preparedness	Yes	Yes	Yes	Yes	Yes	Yes
CM2 Review	Yes	Yes	Yes	Yes	Yes	Yes
CM3 Training on crisis management	Yes	Yes	Yes	Yes	No	Yes

<b>Biodiversity Conservation Management Assessment</b>	<b>LaRonde</b>	<b>Goldex</b>	<b>Lapa</b>	<b>Kittila</b>	<b>Pinos Altos</b>	<b>Meadowbank</b>
BC1 Corporate biodiversity conservation policy, accountability and communications	AA	A	A	A	AAA	AAA
BC2 Facility-level biodiversity conservation planning and implementation	AA	A	B	A	AAA	A
BC3 Biodiversity conservation reporting	A	A	C	A	AA	A

<b>Health and Safety Management Assessment</b>	<b>LaRonde</b>	<b>Goldex</b>	<b>Lapa</b>	<b>Kittila</b>	<b>Pinos Altos</b>	<b>Meadowbank</b>
HS1 Policy, commitment and accountability	AA	A	AA	A	A	A
HS2 Planning, implementation and operation	AA	A	A	A	A	A
HS3 Training, behaviour and culture	AA	AA	A	AA	A	AAA
HS4 Monitoring and reporting	A	A	A	A	A	A
HS5 Performance assessment criteria	AA	A	AA	AA	B	AA

**Case Studies**

# Health and Safety



## How Software is Strengthening Our Health and Safety Performance

Over the past four years, Agnico Eagle’s safety performance has improved significantly – with our combined Lost Time and Restricted Work Accident Frequency rate dropping by 54% over the time period. For the fourth year in a row, we have posted our lowest ever combined Lost Time and Restricted Work rate.

One of the key drivers of our success has been our improved ability to track and report on our performance by bringing critical incident information to the forefront – which helps us reduce risk, ensure compliance and protect the overall health and safety of our employees.

We are using Intalex software’s tracking and reporting tools, which are designed to streamline reporting and decision-making, using six different dashboards and allowing our operations to review their performance in real time.

Since the software was implemented in 2011, we have recorded 11,603 incidents and 809 corrective/preventive actions – using four languages across 11 divisions.

Michel Tetreault, one of our Health and Safety Advisors, says, “Intalex is a very effective tool for incident recording and follow-up and it has helped us to reduce reoccurrences. With access to the key details related to each health and safety incident and the ability to share and learn from each other’s experiences in real time, we’ve gained a powerful advantage – one that will help us be even safer.”

In 2014, Intalex honoured Agnico Eagle with its Safety Performance Award, recognizing the outstanding improvements in our health and safety performance since we implemented the system in 2011.

## Lead Control Program at LaRonde

Our LaRonde mine implemented a lead circuit in 2012–2013, which had unintended industrial hygiene consequences. Some workers began experiencing increased lead levels in their blood. From that time on, we introduced a series of measures to eliminate the source of the problem. These measures included: air sampling campaigns to better identify potential sources; a complete cleanup of the area to eliminate dust accumulation; improvements to the dust collection system by adding two new suction hoods; and increasing the level of humidity of the concentrate. In addition, procedures were modified to reduce exposure: for example; compulsory removal of coveralls and cleanup of boots prior to entering the lunch room. These changes were accompanied by employee training and improvements to dust collector maintenance planning. All of these measures were effective at resolving the problem. The lead content of the LaRonde ore coming from the deep mine has dropped significantly, which has also contributed to decreasing exposure.

## A Cooler Future Underground

Mining at LaRonde is now done at a depth of over 3,000 metres below surface. At such depths, the rock mass temperature is between 35°C and 40°C. Combined with the additional heat coming from the engines of mining equipment, air temperature can increase even more.

LaRonde has an extensive ventilation system that pushes cool air down from surface but, along the way, even the cold winter air is warmed to a level that could make it both unsafe and unhealthy. Worker protection protocols – in place for a number of years – require workers, depending on their type of work and location, to take a break at regular intervals when the temperature rises above a certain level (varying between about 28°C and 32°C). As the mine became deeper, however, this protocol was not sufficient to ensure we achieved our objectives for both worker protection and daily mine production.

The LaRonde team designed a water-based cooling system in 2012, which forces 1,000,000 cubic feet per minute of air to travel through mist chambers and cools the air by 10°C to 12°C. The system was installed at level 262 – or 2,620 metres below surface – over 2012 and 2013 at a cost of approximately \$15 million. In 2014, the system delivered 5,000 tonnes of cooling power (one tonne of cooling power is the amount of energy required to melt one tonne of ice over a period of 24 hours).

“We took on the challenge of finding new ways to cool down the air to a level where work could proceed without affecting workers’ health. We turned to South Africa for design advice, where some of the deepest mines on the planet are operating cooling systems,” says Christian Quirion, Maintenance Superintendent at LaRonde mine.

## Emergency Response

Each of our mining operations has its own Emergency Response Plan and personnel trained to respond to safety, fire and environmental emergencies. Each mine also maintains the appropriate response equipment. In Mexico, the Company's emergency response team was called by local authorities on several occasions to help in emergency situations outside the minesite. The same is true in Nunavut where the Meadowbank mine supported the Baker Lake fire brigade in a major fire that occurred in a commercial facility in the hamlet. Meadowbank also helped the local rangers during a rescue mission by lending them a helicopter that was contracted for exploration work.

In 2014, the Corporate Crisis Management Plan was updated to align with industry best practices and TSM requirements.

## Meadowbank Introduces New X-Ray Machine



Our Meadowbank mine has developed, in collaboration with external consultants, an Asbestos Management Plan, following the identification of a problem with asbestos in the mine's orebody in January of 2012.

One of the elements of the Plan is a Medical Surveillance program. It requires that, upon hiring, each employee visit the onsite medical clinic, where a pulmonary function test and a chest x-ray are conducted, and they must fill out a questionnaire. These tests are repeated every two years.

After studying several options, we decided to take the most practical and efficient solution of purchasing an x-ray machine instead of renting one or sending our workers to outside medical facilities.

In addition to taking chest x-rays, the machine is also used to x-ray injuries to rule out possible fractures when employees are injured on or off the job. Meadowbank's nursing staff are trained on how to conduct x-rays for both purposes. To date, they have taken over 700 x-rays on site, which take only a few minutes to conduct.

The x-ray results are immediately sent to Canadian Diagnostic Imaging for review and the results are sent back to our nurses on site.



## Environment

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### Tower of Green Power at Amaruq Exploration

With the exciting Amaruq discovery northwest of the Meadowbank mine, the exploration camp site has been bustling with activity. The upcoming exploration season will see the exploration crew expand from 20 people to potentially more than 100. That's why an urgent call went out to upgrade the communications capacity at the camp.

Philip Quessy, IT General Supervisor at Meadowbank mine, reviewed the options and decided on a 150-foot microwave tower with built-in solar and wind turbine power generation equipment. The tower will have enough supply capacity to meet the exploration camp's main communication needs for phone, email and internet service, including plentiful movie and television downloads, as well as powering the microwave tower's equipment and heating the telecommunications room.



According to Philip, “Building the Amaruq tower has certainly been a challenge. Because the site is so remote, there was no crane equipment nearby, so we had to get a helicopter to raise and position the tower. Then, a new challenge emerged when the temperature dropped, causing the turbine blades to freeze and stop spinning. Fortunately, a few days later a raging blizzard blew the blades free of the ice that had frozen them solid. The US military has since agreed to provide us with a special nanotechnology-based varnish that repels tiny amounts of water. Next summer, we’ll get a crew to paint the turbine to see if that will prevent freezing in the future.”

He adds, “We’re pleased that by installing the tower, our department is making its very own green-power contribution to Agnico Eagle’s sustainability goals.”

The IT team has stocked up on batteries to store power for more than 10 days of operation, in the event the tower is becalmed for a time or equipment malfunctions. As an additional security measure, power from the tower will ensure that the exploration camp can be remotely viewed on a continual basis by the main camp, even if the Meadowbank minesite’s own power was to go down.

During the first three weeks of operation, the two wind turbines situated at the top of the microwave tower generated 5,780 watt hours per day, while the solar panel averaged 1,314 watt hours a day.

## **Recycling Waste Heat to Reduce Energy Demand**

Our minesites are taking advantage of the waste heat produced through their electrical power generators to help heat buildings and mine ventilation air, reduce their overall costs and minimize their carbon footprint.

Electrical power generators are typically equipped with a heat recovery system. Meadowbank’s six generators – which individually can produce 4.4 megawatts (MW) – are each equipped with a heat recovery system, which is connected to a glycol network that transports the recovered heat to the various sectors the site wants to heat: mill, truck shop, offices, main camp, kitchen and gymnasium. As a rule of thumb, every megawatt of electricity consumed at Meadowbank produces half a megawatt of thermal heat.

The Kittila mine is also taking advantage of the waste heat produced through its electrical power generators to help heat buildings and mine ventilation air, reduce costs and minimize their carbon footprint. The mine already uses the waste heat from the oxygen plants to heat some of the mine ventilation air. This, in combination with a ventilation-on-demand system, has reduced the use of liquid propane gas for mine ventilation air heating by 80%, and electricity used for ventilation by 50%.

Kittila is currently upgrading the scrubber in its processing plant, which will make available 20 MW of waste heat. The mine will build a district heating system – similar to a centralized heating system used in cities in Finland – to take advantage of this waste heat. In Finland, district heating accounts for approximately 50% of the total heating market. Over 90% of apartment blocks, more than half of all terraced houses, and the bulk of public buildings and business premises are connected to a district heating network.

The district heating network at Kittila will connect several buildings and warehouses, and will replace a mine air ventilation heating plant that runs on fuel.

According to Andre Wageningen, “The district heating network creates a unique situation for Kittila where the mine would need very little fossil fuel for heating. The heat available from the oxygen plants and scrubber will be enough for current heating requirements and there will be a need for alternative sources of heat only on very cold days and during periods where the processing plant is not operating and no waste heat is generated.”

## **Kittila Sulphate Reduction Research**

In 2013, Finnish regulators introduced a requirement to reduce the concentration of sulphate in tailings pond effluent. In response, throughout 2013 and 2014, the Kittila mine investigated a number of available technologies and treatment streams to reduce sulphate concentrations, including electrolytic and evaporation techniques. Precipitation was the only technology that was ready for industrial application and was therefore selected for the piloting and design stage in 2015.



The lab used a membrane filtration test rig for nano-filtration and reverse osmosis studies as part of its sulphate reduction research.

## **Practicing Environmental Stewardship at Pinos Altos**

While mining brings many economic benefits to the communities that surround the Pinos Altos site, it also brings new environmental challenges. For example, with the increase in population there is an accompanying increase in waste production. Pinos Altos believes it has an important role to play in increasing environmental stewardship and awareness in the communities that surround the operation.

The mine has helped to conduct 15 community cleanup campaigns in coordination with the local "Health Centre" and with the enthusiastic support of local authorities, teachers, children and adults. Pinos Altos also takes the opportunity during these campaigns to raise local awareness about waste management and to outline the precautions the mine takes in managing hazardous chemicals such as cyanide.

According to Gildardo Montenegro, Environment and Community Relations Superintendent, "As a good neighbour, we want to help resolve the environmental protection challenges of the small communities near our operations. We also want to raise awareness that everybody is responsible for environmental protection and the application of best practices. We believe that by encouraging the

participation of community members in community cleanups and reforestation activities, we can maintain a spirit of cooperation and trust between the mine and the community.”

## **Meadowbank Reduces Fuel Consumption**

Our Meadowbank mine is a remote operation with no connection to any power transmission grid. The whole Nunavut region has no electrical power distribution system 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 2014, we generated 143 GWh of power on site from diesel fuel shipped north during the annual sealift.

Electricity generation from the Meadowbank power plant produces a substantial amount of waste heat. Over the last few years, the Meadowbank team has worked hard to optimize the capture of as much of this waste energy as possible to heat its buildings – including the maintenance buildings at the mine – using a glycol heat exchanger system. In this Arctic setting, this converts into considerable power savings. The glycol heating system is also being used to heat the hot water tanks. The optimization efforts have significantly reduced the number of generators used for electricity generation; four units are used instead of five. This also improved the plant’s reliability.

As part of our ongoing effort to reduce energy consumption, in 2014 the Meadowbank team also created a global fuel optimization program to produce energy consumption diagnostics. This program will allow the team to closely monitor energy consumption, track our performance and set energy targets. The program follows the energy use of each section of the camp in order to accurately monitor consumption. This data is then used by the team to review and implement improvement opportunities.

As a result of these various energy optimization processes, Meadowbank has successfully reduced its annual fuel consumption by 5 million litres to 64 million litres in 2014.

## **Reducing Future Demand on Northern Landfill Sites**

In 2014, the employee-led Meadowbank Environmental Committee (MEC) successfully launched a “Wood Pallet Recycling Project” in response to a rapidly filling landfill site at the mine. The MEC recognized that wooden shipping pallets – on which everything from oil barrels to food supplies arrive at the mine site – could be reused in the Baker Lake community for small household construction projects and at the high school for its woodworking skills program.

According to Lisa Ragsdale, Senior Production Geologist at Meadowbank and MEC co-chair, “Being so far north, waste does not decompose, primarily because of the extreme cold. Typical bugs that decompose waste in landfills in the South do not survive in the North. As a result, it takes centuries for waste to decompose and disappear. If you drop a piece of litter on the tundra today, it will be there 100 years from now.”

As the Meadowbank mine is located in the Low Arctic and above the tree line, wood materials are an expensive commodity for most communities. The MEC raised its idea for a “Wood Pallet Recycling Project” with the nearby hamlet of Baker Lake and asked for suggestions about how the wood might be reused. A local shop teacher offered to take extra wood so that he could teach his students basic woodworking skills. Some of the other products now being produced from the waste wood include model kayaks, sheds, outbuildings and sleds.

Lisa adds, “When the landfill site is full to capacity, it is covered with waste rock from the mine. Mining permits only allow us to dispose of waste in limited areas and the quantity of reusable wood disposed in the landfill sites was a growing concern.”

Since the wood recycling project started in March 2014, Meadowbank has diverted 10 seacans full of wood pallets from its landfill. Each seacan holds 50 or more pallets, so in the first nine months of the project, more than 500 pallets had already been saved from landfill and put to useful purposes.



Meadowbank diverted more than 500 pallets in the first nine months.

### **Goldex's Continued Support of an Orphaned Site Rehabilitation**

The closure and restart of the Goldex mine has had implications beyond its borders – including on the rehabilitation program at the nearby orphaned Manitou mine. The original plan was to rehabilitate the acid-generating Manitou site by covering its tailings with tailings waste from the Goldex mine.

The goal was to use the 24 million tonnes of non-acid generating, non-leachable tailings from Goldex's GEZ zone to cover the Manitou tailings and stop its acid generation reaction.

However, following the closure of the Goldex mine in 2011, and its subsequent restart in 2013, Goldex

introduced a new mine plan which would use 50% of its tailings underground as paste backfill. This new reality meant the environmental team had to rethink its rehabilitation plans for Manitou.

The new plan makes more efficient use of every available tonne of Goldex tailings and aims to achieve reasonable rehabilitation of the Manitou mine with the minimum amount of Goldex tailings. Should there be extra tailings available above this minimum amount, it will simply render the rehabilitation more robust to changes in the hydrological regime. This new thinking was the result of cooperation between Agnico Eagle, AMEC (the tailings pond designer), researchers from the University of Quebec (Abitibi-Témiscamingue) and representatives of the Quebec Ministry of Natural Resources, which has ultimate responsibility for the Manitou site.



The revised plan for the Manitou site uses a reduced quantity of tailings. [Click to open larger image.](#)

## LaRonde Improves Performance of Biological Treatment Plant

The LaRonde Biological Treatment plant is focused on continuously improving its performance and treatment reliability. When the plant began operating in 2003, it used Biological Contactor Disks (biodisks) as support for the bacteria used to treat thiocyanate, ammonia and nitrite. However, the durability of the biodisk was limited and problems started to appear due to the weight of the bacteria on the disk, especially in the units used for thiocyanate treatment. In addition, as bacteria were building up on the biodisks, water flow to some areas of the disks was plugged, reducing the

effectiveness of the treatment performance.

The LaRonde team decided to convert some of the biodisks units into Moving Bed Bio Reactors (MBBR). In an MBBR, bacteria are hosted on the surfaces of free floating plastic media (honeycombed tubes) that are kept floating with the addition of strong airflows, which allows for maximum aerobic performance. For a given tank size, MBBRs provide a much larger surface treatment area, increasing the biological treatment performance. The change from biodisk to MBBR was done gradually over the years, and successfully achieved the expected gain in treatment performance. When first commissioned, the biological treatment plant was struggling to treat 60 m<sup>3</sup> per hour and it currently operates well above 200 m<sup>3</sup> per hour, with a more reliable performance even in winter. This performance is the result of ten years of hard work by the LaRonde team to understand what parameters could affect the bacteria and to optimize the system accordingly.

## **LaRonde Minimizes Its Tailings Storage Facility Footprint**

As the LaRonde Tailings Storage Facility (TSF) was reaching its design capacity, the team began looking at a new site for an extension. At the same time, they worked with the TSF designer to consider whether the existing TSF's capacity could be increased while maintaining the same footprint.

The TSF design at LaRonde uses upstream dike raises (cofferdams) to minimize the TSF's footprint. The cofferdams are constructed from acid-generating waste rock, which has the additional advantage that both the acid-generating tailings and acid-generating waste rock would be stored in one area. This is preferable for post-closure management. The TSF is regularly monitored to measure any build-up of pore pressure in the tailings that could compromise overall stability of the cofferdams.

The designer suggested going back to the previously constructed upstream dikes and "re-raising" them. This involved a complete review of the instrumentation data and new stability analyses that showed the alternative design was stable, with the installation of additional peripheral berms. A new design based on that approach was adopted, which added an additional three years of capacity to the existing tailings pond footprint. Given LaRonde's long mine life, an additional tailings pond will still be necessary over the long term, but it will be much smaller.





# Human Resources

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## Human Resources Receives OCTAS Award

In May 2014, Meadowbank's training team received an award for Excellence in Information Technology at the 28th annual OCTAS Gala for its online learning management and orientation program (1,000+ employee category). The award recognized Meadowbank for encouraging "technological change in the heart of the Arctic" and for its outstanding use of information technology to improve employee knowledge, skills development and productivity. Meadowbank was also recognized for improving overall organizational performance through the implementation of a learning environment.

## **Kittila Invests in Future Employee Health and Wellness**

Employees are the most valuable asset at the Kittila mine. That's why the operation invests in its employees' future by offering a wide range of fitness activities to help them remain healthy and in good physical condition. Kittila pays the gym fees of its personnel, for example, and organizes different types of health and fitness events.

One of the most popular events Kittila hosts is the "Agnico Eagle Finland's Annual Cross-Country Ski Relay". For the third year in a row, the competition took place at Lake Immeljärvi. Six teams, featuring employees from different departments, competed in the event. The winning team in 2014 was the Underground Mine team, with the Mine Engineers placing second and the Mixed Administration Team placing third.

Many of the fitness and social events are meant for families to participate in because family wellness and culture is equally important to Kittila. Employees' families came to cheer on the skiers during the relay event, and to enjoy the fresh air and winter activities, such as snowshoeing and snowmobile driving. In addition to physical health, the event promotes team spirit and social interaction.

## **Our Future Is Our Employees**

As we grow our gold business, it is important that we understand the needs and expectations of our employees – so that we can help them perform at their best and contribute to Agnico Eagle's overall business success.

Every three years, we conduct an engagement survey to measure our progress on key issues raised during the previous survey. We seek open and honest feedback from employees about our performance. Our goal is to remain an employer of choice in the regions in which we operate.

In 2014, 2,227 employees participated in the survey – an outstanding 86% participation rate among the employees across Agnico Eagle's Canadian divisions and the Kittila mine in Finland invited to participate. This compares with a 2011 participation rate of 68%, which included our employees in Finland and Mexico.

Employees ranked us highly for our record of performance on issues related to social responsibility, work-life balance, employee engagement and our commitment to health and safety. In particular, our employees gave us a 92% approval rating for Agnico Eagle's social responsibility program – the highest ranking in the 2014 survey.

Jack Dutil, Construction Manager for our Meliadine project, says, "I have been part of the Agnico Eagle family for 18 years and I know wherever I am, Agnico Eagle is a good place to work. I recently had the opportunity to work overseas on a new Agnico Eagle project, and I was glad to see that the same level of commitment and standards for employee, community and environmental well-being are in place globally – along with respect for local customs and cultures."

Employees also identified performance management, job security and career growth, compensation, and the need to align actions and behaviours with our corporate vision as areas that require improvement in the future. These issue rankings are similar to the 2011 survey results.

We have communicated the survey results back to our employees and management teams. We are conducting follow-up focus groups at each operation so we can address concerns in more detail and develop site-specific and corporate action plans.



## Good Move Reports

In an effort to encourage the participation and ownership of employees in improving Agnico Eagle's Sustainable Development program, in 2014 we implemented "Good Move" reports. These reports highlight innovative ideas and action plans put forth by employees from every department and division of our Company to advance our health, safety, environmental and community relations performance and to continuously improve our operations.

Here are some excerpts from our Good Move reports:

**Meadowbank:** Good Move goes to everyone at Meadowbank for helping us achieve record production of 452,740 ounces of gold in 2014, in addition to record performance in terms of safety, fresh water consumption and operating costs.

Good Move goes to a housing pilot project started with our permanent Baker Lake employees. Through this voluntary program, they authorize Agnico Eagle to deduct an amount each week from

their pay to be deposited into the Baker Lake Housing Association to cover the cost of their rent.

Good Move goes to the Assay Lab team for installing new crushers a year ago, which have significantly optimized our assaying process and production, while still conforming to our strict quality control criteria. For example, by completing more samples at the Meadowbank site, our turn-around time has improved and the Abitibi Regional Lab where the Meadowbank samples were sent can focus more of its manpower and resources on other projects.

**La India:** Good Move goes to the open pit maintenance crew that fabricated a filtering station, which will reduce hydraulic oil consumption in heavy equipment and is expected to obtain savings of \$12,000 per year.

**Goldex:** Good Move goes to the mine team who collected C\$3,861 for Leucan, a charitable organization that supports cancer-stricken children and their families from the day of diagnosis through every stage of the disease. Various fundraising activities were organized, such as a student car wash, hot dog lunches and participation in the Leucan Shaved Head Challenge.

Good Move goes to a cost optimization idea to replace our Diamond Drilling contractor and potentially save more than C\$300,000 per year.

**Meliadine:** Good Move goes to everyone at Meliadine for helping us achieve a 2014 Lost-time Accident Frequency of 0.00.

## Economic Value

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### Unique "Gold" Fundraising Initiative

Agnico Eagle spearheaded a unique fundraising initiative with gold industry peers to support the Princess Margaret Cancer Foundation. Six gold bars, weighing a total of 2,400 troy ounces and worth a total value of \$3.28 million, were donated by Agnico Eagle, Barrick Gold Corporation, Goldcorp Inc., IAMGOLD, Kinross Gold Corporation, New Gold, Primero Mining Corp, Silver Wheaton Corp and Yamana Gold Inc. The funds will go toward several transformative initiatives, including the recruitment of a further 26 international cancer experts to the world-renowned Princess Margaret Cancer Centre.

## Fostering Future Economic Development and Sustainability

We encourage the development of diverse talents, innovative ideas and economic capacity in the communities where we operate. We focus on diversifying the local economy by helping to micro-finance alternative economic development projects.

Agnico Eagle Mexico has dedicated the time and financial resources to support the start-up of various micro-projects, which are now a reality.

The jewelry workshop "Kawiba", for example, is of a group of women from the community of Cahuisori who, with our support, have been trained in how to craft silver jewelry pieces from designs supplied by Mexican artists. We provided an appropriate space and tools for the jewelry workshop, as well as the expertise of a jewelry specialist. Now these women micro-entrepreneurs are attending different market forums, such as the Ruta de la Plata, to promote their products.

Other entrepreneurial micro-projects we are supporting in Mexico include: a sewing cooperative in El Perico, where we have provided funding for training, equipment and materials, and where members are close to achieving self-sufficiency; and a non-hazardous waste management and collection centre in Basaseachi, which has been approved by the State Government, and which contributes significantly to local awareness of environmental issues.

# Our Communities

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## Kittila Community Liaison Committee – for a Harmonious Future



The Kittila mine is approximately 20 kilometres from the towns of Levi and Kittila in a region that welcomes thousands of tourists each ski season.

In 2014, the Kittila mine established a Community Liaison Committee (CLC) to nurture dialogue

between the mine and its local stakeholders – and to help ensure the mine maintains its level of social acceptance in the local communities of Levi and Kittila.

Ingmar Haga, Vice-President, Europe, says, “The main economic driver in the region has long been tourism, with the Levi ski resort drawing thousands of tourists from Finland, Europe, Russia and Asia. From the mine’s inception, the community made it clear that in order for the Kittila mine to be socially acceptable, it should not negatively impact tourism. The mine has provided year-round employment, bringing stability to the local economy.”

A variety of local stakeholders sit on the committee, including a school curator, representatives from the local reindeer herding co-operative, village representatives, members of association groups, the Levi Tourist Office, the local nature conservation group, local parish members and representatives from the local government of Kittila.

The CLC acts as a forum for exchanging information and for bringing issues of concern to the mine’s attention. The committee – the first of its kind in Finland and based on the Mining Association of Canada’s Toward Sustainable Mining Initiative – aims to meet two to three times a year, with the venue alternating between the village and the mine. Meetings are held primarily to address issues related to the mine, but other themes can also be raised. At the March meeting, for example, discussions ranged from the status of the Kuotko mining project to the expansion of production capacity and information on Kittila’s employees. The CLC’s work is supplemented by an annual open house, as well as newsletters and articles in the local newspaper.

## **The Future Is Education**

In Mexico – like anywhere else in the world – the future of the country depends on the capacity of its youth to face the economic, social and environmental challenges that lie ahead. As a responsible miner, Agnico Eagle is committed to helping the communities in which we operate improve the educational outcomes of their students.

Agnico Eagle Mexico has been providing such support for many years in the form of scholarships to students at the primary and secondary school levels. In 2014, 154 students were granted scholarships, of whom 110 were from the Municipality of Ocampo. Agnico Eagle has granted a total of 4,200 scholarships since 2010.

Additionally, we have made monthly food pantry contributions to help run the school canteens. Gildardo Montenegro of Agnico Eagle Mexico says, “We want to ensure students receive the maximum benefit from attending classes. Since 2010, we have made almost a thousand pantry contributions to canteens at the kindergarten, elementary and secondary schools in our operating communities.”

## Supporting Educational Infrastructure

On July 25, 2014, Agnico Eagle Mexico signed an agreement with the Municipality of Ocampo to help construct a new educational facility in Basaseachi, which will be affiliated with Chihuahua's Technical University. This facility is intended to support regional higher education programs for youth living around the Pinos Altos and Creston Mascota mines. Agnico Eagle will provide up to MXN\$1 million worth of construction materials toward building the new educational centre. According to the Mayor of Ocampo, Carlos Escarzaga, the centre should begin operations in January of 2015, as part of the first phase of the project.

State government representatives from the Education and Economy ministries were present at the ceremony. They indicated they were pleased with the company's social responsibility efforts in supporting the higher education goals of local citizens within their area of influence.

Congress Representative Maria Perez also referred to this important step and Agnico Eagle Mexico's cooperative approach to working with the local government on such highly important social projects for local children.

### **Baker Lake "Task Week"**

In 2014, Meadowbank's Human Resources and Training department sponsored "Task Week" at the Jonah Amitnaag Secondary School in Baker Lake. The goal is to encourage students to stay in school and develop their skills by introducing them to different trades and by allowing them to directly experience a trade with the support of a teacher. The trades featured this year were Culinary Arts, Welding, Mechanics, Carpentry, Sewing, Plumbing, Environmental Conservation and Electrical. Sixty-nine students attended the 2014 Task Week. Some of Meadowbank's trainers and employees acted as teachers and spent the week sharing their trade know-how and passion with the students.

### **Pinos Altos Contributes to Community Wellness**

Pinos Altos has developed a strong relationship with its surrounding communities by helping to celebrate significant dates and achievements, and by contributing to the overall health and well-being of its neighbours.

For example, Pinos Altos currently works with the Lions Club of the City of Chihuahua, headed by CEREDIL (Center for Recycling and Distributing Lenses), to support children and older adults with vision problems by providing new glasses to the children and recycled lenses to the adults. We conduct these eye clinics each year in different communities within the Municipality of Ocampo. To date, 634 people, of whom 166 are children and 468 are adults, have received the gift of improved sight.

We also help to improve the oral health of children, adults and seniors in our communities by providing dentistry services free of charge. Teachers and students from the Faculty of Dentistry of the University

of Chihuahua are providing these various dental services. Twice a year, special equipment is installed in community classrooms, which attracts hundreds of people who otherwise would not have access to such medical or preventive care.

Pinos Altos also works with parents and teachers to help organize and annually celebrate Children's Day (benefitting over 1,500 children); Mother's Day (benefitting 1,200 mothers); Teachers' Day (hosting 145 teachers from various educational institutions); and Christmas Posadas (benefitting over 1,500 children). In addition to sharing local traditions, dialogue and knowledge, attendees often find out they have more in common than they thought, which expands their ability to achieve common goals.

For Columbus Day, which is celebrated on October 12 each year, over 10 communities near Pinos Altos join us in promoting integration and collaboration through various sports tournaments, with teams competing for a trophy that will bear the name of the winning community.



# 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:** CO<sub>2</sub> (carbon dioxide) equivalent is the measure used to compare the emissions from various greenhouse gases based on their global warming potential (GWP). The CO<sub>2</sub> 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:** Effluents are materials produced by the mining process (e.g. tailings, mine water etc.) that are treated and then safely 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 (CO<sub>2</sub>);
- Methane (CH<sub>4</sub>);
- Nitrous oxide (N<sub>2</sub>O);
- Hydrofluorocarbons (HFCs – a group of several compounds);
- Perfluorocarbons (PFCs – a group of several compounds); and
- Sulphur hexafluoride (SF<sub>6</sub>).

**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 they relate 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.

**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 and 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 EN9 (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 that comes about as a result of the direct impact of a company's financial transactions or the flow of money from the company into a local economy.

**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 for 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:** 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, and Nunavut for Meadowbank.

**Local 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, and 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 the 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
- Through 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 from the dewatering of the Vault pit.

**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.

**AGNICO-EAGLE MINES LIMITED**  
**CORPORATE GOVERNANCE COMMITTEE**  
**CHARTER**

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This Charter shall govern the activities of the corporate governance committee (the "Corporate Governance Committee") of the board of directors (the "Board of Directors") of Agnico-Eagle Mines Limited (the "Corporation").

**I. PURPOSE OF THE GOVERNANCE COMMITTEE**

The Corporate Governance Committee (the "Committee") shall advise and make recommendations to the Board of Directors in its oversight role with respect to: (a) the development of the Corporation's corporate governance policies, principles, practices and processes; (b) the effectiveness of the Board of Directors and its committees; (c) the contributions of individual directors; (d) the identification of individuals qualified to become board members; and (e) the selection of director nominees for election by the shareholders.

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

**II. COMPOSITION**

The Corporate Governance Committee shall be comprised of a minimum of three directors, each of whom shall be unrelated and independent as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities. (See Schedule A for current requirements.)

The members of the Corporate Governance Committee shall be appointed by the Board of Directors annually at the first meeting of the Board of Directors after a meeting of the shareholders at which directors are elected and each member shall serve until: the next annual meeting of shareholders; they resign; their successors are duly appointed; or such member is removed from the Committee by the Board of Directors. The Board of Directors shall designate one member of the Corporate Governance Committee as the chair of the Corporate Governance Committee (the "Chair"), but if it fails to do so, then the members of the Corporate Governance Committee may designate the Chair by a majority vote of the full Corporate Governance Committee membership.

### **III. MEETINGS**

The Corporate Governance Committee shall meet at least twice annually and more frequently as desired or required. The Corporate Governance Committee shall seek to act on the basis of consensus, but an affirmative vote of a majority of members of the Corporate Governance Committee participating in any meeting of the Corporate Governance Committee shall be sufficient for the adoption of any resolution.

### **IV. COMMITTEE RESPONSIBILITIES AND DUTIES**

The Corporate Governance Committee's primary responsibilities are to:

1. review and assess the adequacy of this Charter, at least annually and, where necessary or desirable recommend changes to the Board of Directors;
2. review the Board of Directors committee structure on an annual basis and recommend to the Board of Directors any changes it considers necessary or desirable with respect to that committee structure, including (all in consultation with the Chairman of the Board): (a) the mandates of each committee; (b) the criteria for membership on any committee; (c) the composition of each committee; (d) the appointment and removal of members from any committee; (e) the operations of each committee, including the ability of any committee to delegate any or all of its responsibilities to a sub-committee of that committee; and (f) the process for each committee reporting to the Board of Directors;
3. review the charters of each committee of the Board of Directors at least annually, and recommend such changes as are required or desirable;
4. review the Corporation's corporate governance practices at least annually and recommend appropriate policies, practices and procedures to the Board of Directors;
5. review the corporate governance sections of the management information circular distributed to the Corporation's shareholders, including the statement of corporate governance practices;
6. develop and recommend to the Board of Directors a process for assessing the effectiveness of the Board of Directors, as a whole, the committees of the Board of Directors and the contribution of individual directors and be responsible for overseeing the execution of the assessment process approved by the Board of Directors;
7. evaluate its effectiveness and the effectiveness of its members pursuant to the process for such evaluation approved by the Board of Directors;
8. review at least annually the skills, areas of expertise, backgrounds, independence and qualifications of the members of the Board of Directors;

9. review annually the size and composition of the Board of Directors to ensure that there remain an appropriate number of "unrelated" and "independent" directors;
10. develop and recommend to the Board of Directors a Resignation Policy;
11. review and assess, on an annual basis, the performance of Directors and administer and apply the Resignation Policy;
12. develop and recommend to the Board of Directors an Outside Board Participation Policy;
13. administer and apply the Outside Board Participation Policy;
14. serve as a forum for individual directors to voice any concerns on matters not readily discussed at regular Board of Directors meetings;
15. recommend to the Board of Directors a system which enables an individual director to engage outside advisers at the Corporation's expense in appropriate circumstances and with the approval of the Committee;
16. recommend to the Board of Directors appropriate criteria for the selection of new directors, periodically review the criteria adopted by the Board of Directors and, if deemed desirable, recommend to the Board of Directors changes to such criteria;
17. identify and recommend qualified candidates to the Board of Directors who meet the selection criteria approved by the Board of Directors, and recommend the slate of nominees for election by shareholders at the annual meeting (and in this regard the Committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates or to otherwise assist the Committee in the discharge of its responsibilities, including the sole authority to approve the search firm's fees and other retention terms);
18. recommend to the Board of Directors structures and procedures to enable the Board of Directors to function independently of management and oversee the development and implementation of any structures and procedures approved by the Board of Directors;
19. review the relationship of the Board of Directors with management and recommend, where appropriate, limits on management's authority to act without the express approval of the Board of Directors;
20. assess shareholder proposals as necessary for inclusion in the management information circular and make appropriate recommendations to the Board of Directors;
21. oversee (a) the development and implementation of orientation programs for new directors; and (b) continuing education for all directors;

22. report to the Board of Directors following each meeting of the Committee and at such other times as the Board of Directors may consider appropriate; and
23. exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

## SCHEDULE A

### *Unrelated Director*

Under the Toronto Stock Exchange rules, "independent director" means a director who is:

- (a) not a member of management and is free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the issuer;
- (b) not currently, or has not been within the last three years, an officer, employee of or service provider to the issuer or any of its subsidiaries or affiliates; and
- (c) not an officer, employee or controlling shareholder of a company that has a material business relationship with the issuer.

### *Independent Director*

#### National Instrument – 52-110

A director is "independent" if he or she has no direct or indirect material relationship with the issuer. The following summarizes the major aspects of the National Instrument (NI52-110) relating to the independence of a director.

#### *Certain Relationships Automatically Exclude a Director From Serving on the Audit Committee*

If a director (or a member of the director's immediate family) has a specified type of relationship with the issuer (which includes the issuer's parent and subsidiary entities), then that director will not be considered independent. NI52-110 assumes that the following persons have a material relationship with the issuer (and are therefore precluded from sitting on the audit committee):

#### *Employment Relationships*

- an individual who is, or has been within the last three years, employee or executive officer of the issuer or an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- an individual who, or whose immediate family member, is, or has been within the last three years, an executive officer of another entity if any of the issuer's current executive officers serves or served at that same time on the compensation committee of that entity;
- an individual who received, or whose immediate family member who is employed as an executive officer of the issuer who received, more than C\$75,000 in direct compensation from the issuer during any 12 month period within the last three years (other than remuneration for acting as a member of the board of directors or any board committee of the issuer and fixed amounts received under a retirement plan for prior service with the issuer that is not contingent on continued service);

#### *Relationships with Internal or External Auditors*



- an individual who is a partner or employee of the issuer's internal or external auditor or an individual who was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;
- an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual, is (i) a partner of the issuer's internal or external auditor, (ii) an employee of the issuer's internal or external auditor and participates in its audit, assurance or tax compliance (but not tax planning) practice, (iii) or an individual who was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;

#### *Advisory or Consulting Relationships*

- an individual who accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than remuneration for acting as a member of the board or any board committee or as a part-time chair or vice-chair of the board or any board committee, including the indirect acceptance of a fee by an individual's spouse, minor child or stepchild, or child or stepchild who shares the individual's home or by an entity in which such individual is a partner, member, officer such as a managing director or executive officer and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer; and

#### *Relationships with Affiliated Entities*

- an individual who is an affiliated entity of the issuer or any of its subsidiary entities, where affiliated entity means a person that has the direct or indirect power to direct or cause the direction of management and the policies of the issuer or any of its subsidiary entities, whether through ownership of voting securities or otherwise (other than an individual who owns, directly or indirectly, ten percent or less of any class of voting securities of the issuer and is not an executive officer of the issuer) or an individual who is both a director and an employee of an affiliated entity or an executive officer, general partner or managing member of an affiliated entity.

#### *The Materiality of Other Relationships is for the Board to Determine*

If a director has a direct or indirect relationship with the issuer, then it will be material if, in the view of the issuer's board of directors, the relationship could reasonably interfere with the exercise of the director's independent judgement. These relationships may include commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationships or any other relationship that the board considers to be material.

### New York Stock Exchange Rules

Under the New York Stock Exchange rules, the following requirements must be met to qualify as an "Independent Director":

- (a) No director qualifies as "independent" unless the board of directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company). Companies must disclose these determinations.
- (b) In addition, the following persons are not independent:
  - Any director who is (or who has an immediate family member who is) an executive officer, other than on an interim basis, of the listed company;
  - any director who receives (or who has an immediate family member who receives) more than \$120,000 per year in direct compensation from the listed company ;
  - any director who is (or who has an immediate family member who is, in a professional capacity) a partner or employee of the listed company's internal or external auditor;
  - any director who is (or who has an immediate family member who is) employed as an executive officer of another company where any of the executives of the listed company also serves or served on that other company's compensation committee; and
  - any director who is an employee (or who has an immediate family member who is an executive officer) of another company that has made payments to, or received payments from, the listed company for property or services which exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

*Three Year "Cooling Off" Period.* For each of the categories above where a director is not (or is presumed not to be) independent, there is a three-year "cooling off" period. Accordingly, the existence of the prohibited relationship at any time during the preceding three years is presumed to impair independence.

## **AGNICO EAGLE MINES LIMITED**

### **AUDIT COMMITTEE CHARTER**

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

#### **I. PURPOSE OF THE AUDIT COMMITTEE**

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

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

#### **II. COMPOSITION**

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

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

At least one member of the Audit Committee shall be a financial expert. (See Schedule B for definition.)

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

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

### **III. MEETINGS**

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

As a part of each meeting of the Audit Committee at which the Audit Committee recommends that the Board of Directors approve the annual audited financial statements or at which the Audit Committee reviews the quarterly financial statements, the Audit Committee shall meet in a separate session with the external auditor and, if desired, with management and/or the internal auditor. In addition, the Audit Committee or the Chair shall meet with management quarterly to review the Corporation's financial statements as described in Section IV.4 below and the Audit Committee or a designated member of the Audit Committee shall meet with the external auditors to review the Corporation's financial statements on a quarterly or other regular basis as the Audit Committee may deem appropriate.

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

### **IV. RESPONSIBILITIES AND DUTIES**

The Audit Committee's primary responsibilities are to:

#### General

1. review and assess the adequacy of this Charter at least annually and, where necessary or desirable, recommend changes to the Board of Directors;
2. report to the Board of Directors regularly at such times as the Chair may determine to be appropriate but not less frequently than four times per year;
3. follow the process established for all committees of the Board of Directors for assessing the Committee's performance;

### Documents/Reports Review

4. review the Corporation's financial statements and related management's discussion and analysis, Annual Information Form ("AIF") and related Form 40-F, Annual Report and any other annual reports or other financial information to be submitted to any governmental body or the public, including any certification, report, opinion or review rendered by the external auditors before they are approved by the Board of Directors and publicly disclosed;
5. review with the Corporation's management and the external auditors, the Corporation's quarterly financial statements and related management's discussion and analysis, before they are released;
6. ensure that adequate procedures are in place for the review of the issuer's disclosure of financial information extracted or derived from the issuer's financial statements other than the disclosure referred to in the two immediately preceding paragraphs and periodically assess the adequacy of such procedures;
7. review the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation;
8. review with the Corporation's management any press release of the Corporation which contains financial information (paying particular attention to the use of any "pro forma" or "adjusted" non-GAAP information);
9. review and assess, on a quarterly basis, management's risk assessment and risk management strategies including hedging and derivative strategies;

### External Auditors

10. recommend external auditors nominations to the Board of Directors to be put before the shareholders for appointment and, as necessary, the removal of any external auditor in office from time to time;
11. approve the fees and other compensation to be paid to the external auditors;
12. pre-approve all significant non-audit engagements to be provided to the Corporation with the external auditors;
13. require the external auditors to submit to the Committee, on a regular basis (at least annually), a formal written statement delineating all relationships between the external auditors and the Corporation and discuss with the external auditors any relationships that might affect the external auditors' objectivity and independence;
14. recommend to the Board of Directors any action required to ensure the independence of the external auditors;

15. advise the external auditors of their ultimate accountability to the Board of Directors and the Committee;
16. oversee the work of the external auditors engaged for the purpose of preparing an audit report or performing other audit, review and attest services for the issuer;
17. evaluate the qualifications, performance and independence of the external auditors which are to report directly to the Committee, including (i) reviewing and evaluating the lead partner on the external auditors' engagement with the Corporation, (ii) considering whether the auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors' independence, (iii) determine the rotation of the lead audit partner and the audit firm, and (iv) take into account the opinions of management and the internal audit function in assessing the external auditors' qualifications, independence and performance;
18. present the Committee's conclusions with respect to its evaluation of external auditors to the Board of Directors and take such additional action to satisfy itself of the qualifications, performance and independence of external auditors and make further recommendations to the Board of Directors as it considers necessary;
19. obtain and review a report from the external auditors at least annually regarding: the external auditors' internal quality-control procedures; material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more external audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the external auditors and the Corporation;
20. establish policies for the Corporation's hiring of employees or former employees of the external auditors;

#### Internal Auditor

21. receive regular quarterly reports from the Corporation's internal auditor on the scope and material results of its internal audit activities commencing in 2007, based on the Internal Audit Charter;
22. review and discuss the Company's Code of Business Conduct and Ethics and fraud policy and the actions taken to monitor and enforce compliance with the Code and policy;
23. establish procedures for:
  - i) the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters;
  - ii) the confidential, anonymous submission of concerns regarding questionable accounting, internal control and auditing matters; and

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

#### Fraud Prevention and Detection

- 24. overseeing and assessing management's controls and processes to prevent and detect fraud;
- 25. receiving periodic reports from the internal auditors on findings of fraud as well as significant findings regarding the design and/or operation of internal controls and management responses

#### Financial Reporting Process

- 26. periodically discuss the integrity, completeness and accuracy of the Corporation's internal controls and the financial statements with the external auditors in the absence of the Corporation's management;
- 27. in consultation with the external auditors, review the integrity of the Corporation's financial internal and external reporting processes;
- 28. consider the external auditors' assessment of the appropriateness of the Corporation's auditing and accounting principles as applied in its financial reporting;
- 29. review and discuss with management and the external auditors at least annually and approve, if appropriate, any material changes to the Corporation's auditing and accounting principles and practices suggested by the external auditors, internal audit personnel or management;
- 30. review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the interim and annual filings with applicable securities regulatory authorities;
- 31. review disclosures made by the Chief Executive Officer and Chief Financial Officer during their certification process for the annual and interim filings with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees who have a significant role in the Corporation's internal controls;
- 32. establish regular and separate systems of reporting to the Committee by management and the external auditors of any significant decision made in management's preparation of the financial statements, including the reporting of the view of management and the external auditors as to the appropriateness of such decisions;

33. discuss during the annual audit, and review separately with each of management and the external auditors, any significant matters arising from the course of any audit, including any restrictions on the scope of work or access to required information; whether raised by management, the head of internal audit or the external auditors;
34. resolve any disagreements between management and the external auditors regarding financial reporting;
35. review with the external auditors and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented at an appropriate time subsequent to the implementation of such changes or improvements;
36. establish procedures to receive, record and handle complaints concerning accounting, internal accounting controls or auditing matters, including procedures for confidential, anonymous submission by employees of concerns regarding questionable auditing or accounting matters;
37. retain and determine the compensation of any independent counsel, accountants or other advisors to assist in its oversight responsibilities (the Committee shall not be required to obtain the approval of the Board of Directors for such purposes);
38. discuss any management or internal control letters or proposals to be issued by the external auditors of the Corporation;

#### Disclosure Controls and Procedures

39. obtain and review the statement of Corporate Disclosure Controls, Procedures and Policies prepared by the disclosure committee and, if appropriate, approve the disclosure controls and procedures set out in such statement and any changes made thereto;
40. receive confirmation from the CEO and CFO that reports to be filed with Canadian Securities commissions, the SEC and any other applicable regulatory agency:
  - (a) have been prepared in accordance with the Corporation's disclosure controls and procedures; and
  - (b) contain no material misrepresentations or omissions and fairly presents, in all material respects, the financial condition, results of operations and cash flow as of and for the period covered by such reports;
41. receive confirmation from the CEO and CFO that they have concluded that the disclosure controls and procedures are effective as of the end of the period covered by the reports;
42. discuss with the CEO and CFO any reasons for which any of the confirmations referred to in the two preceding paragraphs cannot be given by the CEO and CFO;



### Legal Compliance

43. confirm that the Corporation's management has the proper review system in place to ensure that the Corporation's financial statements, reports, press releases and other financial information satisfy legal requirements;
44. review legal compliance matters with the Corporation's legal counsel;
45. review with the Corporation's legal counsel any legal matter that the Committee understands could have a significant impact on the Corporation's financial statements;
46. conduct or authorize investigations into matters within the Committee's scope of responsibilities;
47. perform any other activities in accordance with the Charter, the Corporation's by-laws and governing law the Committee or the Board of Directors deems necessary or appropriate;

### Related Party Transactions

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

### Reporting and Powers

49. report to the Board of Directors following each meeting of the Committee and at such other times as the Board of Directors may consider appropriate; and
50. exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

## **V. LIMITATION OF RESPONSIBILITY**

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

## SCHEDULE A

### *Unrelated Director*

Under the Toronto Stock Exchange rules, "independent director" means a director who is:

- (a) not a member of management and is free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the issuer;
- (b) not currently, or has not been within the last three years, an officer, employee of or service provider to the issuer or any of its subsidiaries or affiliates; and
- (c) not an officer, employee or controlling shareholder of a company that has a material business relationship with the issuer.

### *Independent Director*

#### National Instrument – 52-110

A director is "independent" if he or she has no direct or indirect material relationship with the issuer. The following summarizes the major aspects of the National Instrument (NI52-110) relating to the independence of a director.

#### *Certain Relationships Automatically Exclude a Director From Serving on the Audit Committee*

If a director (or a member of the director's immediate family) has a specified type of relationship with the issuer (which includes the issuer's parent and subsidiary entities), then that director will not be considered independent. NI52-110 assumes that the following persons have a material relationship with the issuer (and are therefore precluded from sitting on the audit committee):

#### *Employment Relationships*

- an individual who is, or has been within the last three years, employee or executive officer of the issuer or an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- an individual who, or whose immediate family member, is, or has been within the last three years, an executive officer of another entity if any of the issuer's current executive officers serves or served at that same time on the compensation committee of that entity;
- an individual who received, or whose immediate family member who is employed as an executive officer of the issuer who received, more than C\$75,000 in direct compensation from the issuer during any 12 month period within the last three years (other than remuneration for acting as a member of the board of directors or any board committee of the issuer and fixed amounts received under a retirement plan for prior service with the issuer that is not contingent on continued service);

### *Relationships with Internal or External Auditors*

- an individual who is a partner or employee of the issuer's internal or external auditor or an individual who was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;
- an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual, is (i) a partner of the issuer's internal or external auditor, (ii) an employee of the issuer's internal or external auditor and participates in its audit, assurance or tax compliance (but not tax planning) practice, (iii) or an individual who was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;

### *Advisory or Consulting Relationships*

- an individual who accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than remuneration for acting as a member of the board or any board committee or as a part-time chair or vice-chair of the board or any board committee, including the indirect acceptance of a fee by an individual's spouse, minor child or stepchild, or child or stepchild who shares the individual's home or by an entity in which such individual is a partner, member, officer such as a managing director or executive officer and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer; and

### *Relationships with Affiliated Entities*

- an individual who is an affiliated entity of the issuer or any of its subsidiary entities, where affiliated entity means a person that has the direct or indirect power to direct or cause the direction of management and the policies of the issuer or any of its subsidiary entities, whether through ownership of voting securities or otherwise (other than an individual who owns, directly or indirectly, ten percent or less of any class of voting securities of the issuer and is not an executive officer of the issuer) or an individual who is both a director and an employee of an affiliated entity or an executive officer, general partner or managing member of an affiliated entity.

### *The Materiality of Other Relationships is for the Board to Determine*

If a director has a direct or indirect relationship with the issuer, then it will be material if, in the view of the issuer's board of directors, the relationship could reasonably interfere with the exercise of the director's independent judgement. These relationships may include commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationships or any other relationship that the board considers to be material.

### *Exceptions to the Independence Requirement*

NI52-110 provides exemptions from the independence requirements for:

- audit committee members who cease to be independent for reasons outside their control (but only for a limited period of time);
- directors appointed to the audit committee to fill a vacancy resulting from the death, disability or resignation of a member of the audit committee (but only for a limited period of time). The director appointed to fill the vacancy is also temporarily exempt from the financial literacy requirements;
- audit committee members, under exceptional and limited circumstances as determined by the board in its reasonable judgment, who are not consultants or advisors, not an affiliated entity of the issuer or any of its subsidiary entities, not an employee or officer of the issuer or an immediate family member of such and do not act as chair of the audit committee (but only for a maximum period of two years); and
- U.S. listed issuers complying with the audit committee requirements of their U.S. exchange or quotation system (provided they make the necessary disclosure in their AIF (Annual Information Form)).

### New York Stock Exchange Rules

Under the New York Stock Exchange rules, the following requirements must be met to qualify as an "Independent Director":

- (a) No director qualifies as "independent" unless the board of directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company). Companies must disclose these determinations.
- (b) In addition, the following persons are not independent:
  - Any director who is (or who has an immediate family member who is) an executive officer, other than on an interim basis, of the listed company;
  - any director who receives (or who has an immediate family member who receives) more than \$120,000 per year in direct compensation from the listed company ;
  - any director who is (or who has an immediate family member who is, in a professional capacity) a partner or employee of the listed company's internal or external auditor;
  - any director who is (or who has an immediate family member who is) employed as an executive officer of another company where any of the executives of the

listed company also serves or served on that other company's compensation committee; and

- any director who is an employee (or who has an immediate family member who is an executive officer) of another company that has made payments to, or received payments from, the listed company for property or services which exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

*Three Year "Cooling Off" Period.* For each of the categories above where a director is not (or is presumed not to be) independent, there is a three-year "cooling off" period. Accordingly, the existence of the prohibited relationship at any time during the preceding three years is presumed to impair independence.

### ***Sarbanes-Oxley Act***

- (a) *In General.* Each member of the audit committee of the issuer shall be a member of the board of directors of the issuer, and shall otherwise be independent.
- (b) *Criteria.* In order to be considered to be independent for purposes of this paragraph, a member of an audit committee of an issuer may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee:
  - accept any consulting, advisory or other compensatory fee from the issuer; or
  - be an affiliated person of the issuer or any subsidiary thereof.

*Exemption Authority.* The Commission may exempt from the requirements of subparagraph (b) a particular relationship with respect to audit committee members, as the Commission determines appropriate in light of the circumstances.

## SCHEDULE B

### *Audit Committee Financial Expert*

An "audit committee financial expert" must possess all of the following attributes:

- (a) an understanding of generally accepted accounting principles and financial statements;
- (b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breath and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (d) an understanding of internal control over and procedures for financial reporting; and
- (e) an understanding of audit committee functions.

The audit committee financial expert must also have acquired those attributes through:

- (a) education and experience as a principal financial officer, principal accounting officer, controller, public accountant, auditor or experience in one or more positions that involve the performance of similar functions;
- (b) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant or auditor or person performing similar functions;
- (c) experience overseeing or assessing the performance of companies or public accountants for the preparation, auditing or evaluation of financial statements; or
- (d) other relevant experience.

"Active supervision" means the supervisor participated in, and contributed to, the process of addressing the same types of issues relating to the preparation, auditing, analysis and evaluation of financial statements as the person actually performing the work.

**AGNICO EAGLE MINES LIMITED**  
**COMPENSATION COMMITTEE**  
**CHARTER**

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

**I. PURPOSE OF COMPENSATION COMMITTEE**

The Compensation Committee (the "Committee") shall advise and make recommendations to the Board of Directors in its oversight role with respect to the Corporation's strategy, policies and programs on the compensation and development of senior management and directors.

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

**II. COMPOSITION**

The Compensation Committee shall be comprised of a minimum of three directors, each of whom shall be unrelated and independent as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities. (See Schedule A for current requirements.)

The members of the Compensation Committee shall be appointed by the Board of Directors annually at the first meeting of the Board after a meeting of the shareholders at which directors are elected and shall serve until: the next annual meeting of shareholders; they resign; their successors are duly appointed; or such member is removed from the Committee by the Board of Directors. The Board of Directors shall designate one member of the Compensation Committee as the chair of the Compensation Committee (the "Chair"), but if it fails to do so, then members of the Compensation Committee may designate the Chair by a majority vote of the full Compensation Committee membership.

**III. MEETINGS**

The Committee shall meet at least twice annually or more frequently as desired or required. The Compensation Committee shall seek to act on the basis of consensus, but an affirmative vote of a majority of members of the Compensation Committee participating in any meeting of the Compensation Committee shall be sufficient for the adoption of any resolution.

#### **IV. COMMITTEE RESPONSIBILITIES AND DUTIES**

The Compensation Committee's primary responsibilities are to:

1. review and assess the adequacy of this Charter at least annually and, where necessary or desirable, recommend changes to the Board of Directors;
2. review the adequacy and form of compensation of senior management and ensure that the compensation realistically reflects the risks and responsibilities of such positions;
3. review and recommend to the Board of Directors for approval policies relating to compensation of the Corporation's senior management and directors;
4. review the performance of the Corporation's senior management and recommend annually to the Board of Directors for approval the amount and composition of compensation to be paid to the Corporation's senior management;
5. review and approve the corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of these goals and objectives and set the CEO compensation based on this evaluation;
6. review the compensation sections of the management information circular distributed to the Corporation's shareholders;
7. review and make recommendations to the Board of Directors with respect to pension, stock option, restricted share unit and other incentive plans for the benefit of senior management;
8. administer the Corporation's employee stock option plan for the benefit of officers and employees of and services providers to the Corporation and its subsidiaries;
9. administer the Corporation's incentive share purchase plan ("Purchase Plan") for the benefit of participating officers and full-time employees of the Corporation and its subsidiaries, including the adoption, amendment or rescission of any rules and regulations that in the Compensation Committee's opinion may be advisable or required in the administration or operation of the Purchase Plan or any rule, regulation or documentation used thereunder;
10. administer the Corporation's Restricted Share Unit Plan for Directors, Senior Executives and Employees (the "RSU Plan") for the benefit of directors, senior executives and employees of the Corporation and its subsidiaries and to make such amendments or changes as the Committee deems necessary or desirable;
11. review the adequacy and form of compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks of such positions and fix the amount and composition of compensation to be paid to members of the Board of Directors and the committees thereof;



12. review and assess the design and competitiveness of the Corporation's compensation and benefit programs generally;
13. report to the Board of Directors on all other matters and recommendations made by the Committee;
14. report to the Board of Directors following each meeting of the Committee and at such other times as the Board of Directors may consider appropriate; and
15. exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

## SCHEDULE A

### *Unrelated Director*

Under the Toronto Stock Exchange rules, "independent director" means a director who is:

- (a) not a member of management and is free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the issuer;
- (b) not currently, or has not been within the last three years, an officer, employee of or service provider to the issuer or any of its subsidiaries or affiliates; and
- (c) not an officer, employee or controlling shareholder of a company that has a material business relationship with the issuer.

### *Independent Director*

#### National Instrument – 52-110

A director is "independent" if he or she has no direct or indirect material relationship with the issuer. The following summarizes the major aspects of the National Instrument (NI52-110) relating to the independence of a director.

#### *Certain Relationships Automatically Exclude a Director From Serving on the Audit Committee*

If a director (or a member of the director's immediate family) has a specified type of relationship with the issuer (which includes the issuer's parent and subsidiary entities), then that director will not be considered independent. NI52-110 assumes that the following persons have a material relationship with the issuer (and are therefore precluded from sitting on the audit committee):

#### *Employment Relationships*

- an individual who is, or has been within the last three years, employee or executive officer of the issuer or an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- an individual who, or whose immediate family member, is, or has been within the last three years, an executive officer of another entity if any of the issuer's current executive officers serves or served at that same time on the compensation committee of that entity;
- an individual who received, or whose immediate family member who is employed as an executive officer of the issuer who received, more than C\$75,000 in direct compensation from the issuer during any 12 month period within the last three years (other than remuneration for acting as a member of the board of directors or any board committee of the issuer and fixed amounts received under a retirement plan for prior service with the issuer that is not contingent on continued service);

*Relationships with Internal or External Auditors*

- an individual who is a partner or employee of the issuer's internal or external auditor or an individual who was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;
- an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual, is (i) a partner of the issuer's internal or external auditor, (ii) an employee of the issuer's internal or external auditor and participates in its audit, assurance or tax compliance (but not tax planning) practice, (iii) or an individual who was within the last three years a partner or employee of the issuer's internal or external auditor and personally worked on the issuer's audit within that time;

*Advisory or Consulting Relationships*

- an individual who accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than remuneration for acting as a member of the board or any board committee or as a part-time chair or vice-chair of the board or any board committee, including the indirect acceptance of a fee by an individual's spouse, minor child or stepchild, or child or stepchild who shares the individual's home or by an entity in which such individual is a partner, member, officer such as a managing director or executive officer and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer; and

*Relationships with Affiliated Entities*

- an individual who is an affiliated entity of the issuer or any of its subsidiary entities, where affiliated entity means a person that has the direct or indirect power to direct or cause the direction of management and the policies of the issuer or any of its subsidiary entities, whether through ownership of voting securities or otherwise (other than an individual who owns, directly or indirectly, ten percent or less of any class of voting securities of the issuer and is not an executive officer of the issuer) or an individual who is both a director and an employee of an affiliated entity or an executive officer, general partner or managing member of an affiliated entity.

*The Materiality of Other Relationships is for the Board to Determine*

If a director has a direct or indirect relationship with the issuer, then it will be material if, in the view of the issuer's board of directors, the relationship could reasonably interfere with the exercise of the director's independent judgement. These relationships may include commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationships or any other relationship that the board considers to be material.

### New York Stock Exchange Rules

Under the New York Stock Exchange rules, the following requirements must be met to qualify as an "Independent Director":

- (a) No director qualifies as "independent" unless the board of directors affirmatively determines that the director has no material relationship with the listed company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company). Companies must disclose these determinations.
- (b) In addition, the following persons are not independent:
  - Any director who is (or who has an immediate family member who is) an executive officer, other than on an interim basis, of the listed company;
  - any director who receives (or who has an immediate family member who receives) more than \$120,000 per year in direct compensation from the listed company ;
  - any director who is (or who has an immediate family member who is, in a professional capacity) a partner or employee of the listed company's internal or external auditor;
  - any director who is (or who has an immediate family member who is) employed as an executive officer of another company where any of the executives of the listed company also serves or served on that other company's compensation committee; and
  - any director who is an employee (or who has an immediate family member who is an executive officer) of another company that has made payments to, or received payments from, the listed company for property or services which exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

*Three Year "Cooling Off" Period.* For each of the categories above where a director is not (or is presumed not to be) independent, there is a three-year "cooling off" period. Accordingly, the existence of the prohibited relationship at any time during the preceding three years is presumed to impair independence.

**AGNICO EAGLE MINES LIMITED****HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT  
COMMITTEE CHARTER**

This Charter shall govern the activities of the Health, Safety, Environment and Sustainable Development committee (the "HSESD Committee") of the board of directors (the "Board of Directors" or "Board") of Agnico Eagle Mines Limited (the "Corporation").

**I. PURPOSE OF THE SUSTAINABLE DEVELOPMENT COMMITTEE**

The HSESD Committee (the "Committee") shall advise and make recommendations in accordance with the Sustainable Development Policy to the Board of Directors in its oversight role with respect to the Corporation's, health and safety, environmental and corporate social responsibility strategy, policies, programs and performance.

The purpose of the Committee is to assist the Board in regards to:

- monitoring and reviewing health and safety, environmental and community risks;
- ensuring the Corporation's compliance with applicable legal and regulatory requirements associated with health, safety, environment and social matters;
- supporting furtherance of the Corporation's commitment to adoption of best practices in mining operations, promotion of a healthy and safe work environment, and environmentally sound and socially responsible resource development.

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

**II. COMPOSITION**

The Committee shall be comprised of a minimum of three directors, a majority of whom shall be unrelated and independent as determined by the Board of Directors in accordance with the applicable requirements of the laws governing the Corporation, the applicable stock exchanges on which the

Corporation's securities are listed and applicable securities regulatory authorities. (See Schedule A for current requirements.)

The members of the Committee shall be appointed by the Board of Directors annually at the first meeting of the Board of Directors after a meeting of the shareholders at which directors are elected and each member shall serve until: the next annual meeting of shareholders; they resign; their successors are duly appointed; or such member is removed from the Committee by the Board of Directors. The Board of Directors shall designate one member of the Committee as the chair of the Committee (the "Chair"), but if it fails to do so, then the members of the Committee may designate the Chair by a majority vote of the full Committee membership.

### **III. MEETINGS**

The Committee shall meet at least four times annually and more frequently as desired or required. The Committee shall seek to act on the basis of consensus, but an affirmative vote of a majority of members of the Committee participating in any meeting of the Committee shall be sufficient for the adoption of any resolution.

### **IV. COMMITTEE RESPONSIBILITY AND DUTIES**

The Committee's primary responsibilities are to:

1. On a quarterly basis, review reports by management on health, safety, environmental and community affairs;
2. On an annual basis, review a health and safety, environment and sustainable development report by management;
3. Encourage, assist, support and counsel management in developing short and long term policies and standards to ensure that the principles set out in the health, safety, environment, and community policies are being adhered to and achieved;
4. Assure that management of the Corporation is monitoring trends and reviewing current and emerging issues in the environmental, health and safety and corporate social responsibility fields, as well as evaluating their impact on the Corporation;

5. Review results of operational, health, safety and environment audits and management's activities to maintain appropriate internal and external health, safety and environmental audits;
6. Review and make recommendations in regard to the environmental, health and safety and sustainability policies and procedures;
7. Keep the Corporation's directors abreast of their duties and responsibilities related to the scope of the Committee;
8. Evaluate the effectiveness of the environment, safety and health and sustainability programs and make recommendations for improvement;
9. Review and make recommendations in regard to any health, safety and environment compliance issues;
10. Assess the health and safety, environment and sustainable development management procedures and recommend improvements, if any;
11. Determine if any health, safety, environmental or community incidents are of significance to report to the Board;
12. Review the scope of potential environmental, health and safety and social liabilities and the adequacy of the environmental, health and safety and social management systems to manage these liabilities.
13. Receive reports from management on the Corporation's corporate social responsibility performance to assess the effectiveness of the corporate social responsibility programs.
14. Make periodic visits, as individual members or as the Committee, to corporate locations in order to become familiar with the nature of the operations, and to review relevant objectives, procedures and performance with respect to health, safety, environment and community matters;
15. Request investigation of any extraordinary negative health, safety and environment performance where appropriate;
16. Report to the Board of Directors following each meeting of the Committee and at such other times as the Board of Directors may consider appropriate; and
17. exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

In all cases, the Committee will, where appropriate, report to the Board and make recommendations to the management of the Corporation and/or to the Board.

### **Responsibilities of the Chair**

The Committee Chair is responsible for:

1. Establishing the frequency of Committee meetings and the agendas for meetings;
2. Providing leadership to the Committee and presiding over Committee meetings;
3. Reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee;
4. Annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and
5. Ensuring that the Committee carries out its mandate through reasonably required steps





# AGNICO EAGLE

## **Agnico Eagle Mines Limited World Gold Council – Conflict Gold Standards Certification Report**

### **Executive Summary**

All gold and gold-bearing materials produced by Agnico Eagle Mines Limited (“Agnico”) are in conformance with the World Gold Council’s Conflict-Free Gold Standard. The gold and gold-bearing materials produced by Agnico have been done so in a manner that does not cause, support or benefit unlawful armed conflict, or contribute to serious human rights abuses or breaches of international humanitarian law.

### **Background**

Agnico acknowledges that operating responsibly and maintaining the trust of our stakeholders requires us to demonstrate that the gold we produce has been extracted in a manner that does not fuel unlawful armed conflict or contribute to serious human rights abuses or breaches of international law. As such, Agnico has adopted and implemented the World Gold Council’s Conflict-Free Gold Standard. This Conflict-Free Gold Report summarises Agnico's conformance to the Standard. This is the second year in which Agnico has operated under its requirements.

This report covers all gold or gold-bearing materials dispatched by Agnico Eagle Mines Limited for the calendar year ended December 31, 2014 and has been assured by an independent assurance provider. This report will be updated annually, or as required by the Standard.

### **Responsibility for Conformance**

The Senior Vice-President of Environment and Sustainable Development and the Vice-President Health, Safety and Community are directly responsible for corporate oversight and implementation of the Standard, and environment and community engagement. Both of these positions report to the Health, Safety, Environment and Sustainable Development Committee (“HSESDC”) of the Board of Directors.

*<http://www.agnicoeagle.com/en/Sustainability/Pages/Governance.aspx>*

Sustainability performance, which includes the Standard, is presented to the HSESDC of the Board of Directors at each quarterly Board meeting. The HSESDC charter can be found on the Agnico Eagle website.

## **Reporting boundary**

The reporting boundary of this Conflict-Free Gold Report includes all mining and processing operations that Agnico has direct control over. The report does not include exploration sites and projects under development that have not entered into commercial production.

## **Agnico Eagle Mines' evaluation**

For the purposes of the application of Part A of the Standard, Agnico reviewed the areas of operation and the location of our mines with reference to the Heidelberg Conflict Barometer and the UN International and EU Sanctions. We concluded based on our assessment that Agnico Eagle's operations do not take place in regions that are subject to International Sanctions. However, we operate three mines in Mexico which are located in areas that are classified as 5 (war) or 4 (limited war), as determined by the Heidelberg Conflict Barometer published for both 2013 and 2014, which was reviewed in Q1 of 2015. These three operations are: Pinos Altos and Creston Mascota, which are located in the state of Chihuahua and La India, which is in the state of Sonora.

The site at La India was excluded in 2013 due to the fact that the mine was under development and hence not operational. It has since become an operating mine.

Applying the Standard's criteria, operations that are in an area ranked as 5 (war) or 4 (limited war) within the last two years of the Heidelberg Conflict Barometer have been classified as 'conflict-affected or high-risk' and must complete all remaining assessments in Parts B–E of the Standard. For operations not considered in a 'conflict-affected or high-risk' area and where the company does not transport gold while in the custody of the producer, the remaining assessments are D and E.

With respect to the operations at Pinos Altos, Creston Mascota and La India we completed all remaining assessments required by the Standards, while for our operations in Canada and Finland, we completed the assessment requirements defined under sections D and E of the Standard.

## **Commitment to Human Rights**

Our Board of Directors has made it clear that Agnico 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. We have our Sustainable Development Policy and have implemented a comprehensive series of programs of community involvement and relations including being recognized for the eighth consecutive year by the Chihuahuan business foundation "Fundación del Empresariado Chihuahuense A.C." with an award of distinction for being a "Socially Responsible Company. This distinction is granted by "El Centro Mexicano para la Filantropía (Cemefi) y la Alianza por la Responsabilidad Social Empresarial (AliARSE)". Further information on this can be found at <http://www.cemefi.org/esr/>.

## **Corporate activities**

As part of our commitment to Human Rights and the communities in which we operate, we have established a function that is responsible for Community Relations. This function is responsible for monitoring, identifying and addressing significant issues with respect to its performance on human rights or alleged abuses of human rights or breaches of international humanitarian law within the area of our operations.

## **Security**

For the operations in Pinos Altos and Mascota, the security function is in-house. This approach provides us with control and flexibility over the hiring, retention and training of security personnel for these mines. Within our procedures we conduct background checks with relevant authorities and our own internal assessments to assure ourselves of the quality and conviction of individuals we consider to become part of the security function. All security personnel undergo comprehensive training that includes specific topics relating to Human Rights.

For La India, we have retained the services of an external contractor to provide high quality personnel under very specific criteria. Even though the security is conducted under contract, we do retain a measure of control in terms of the personnel assigned to the mine; we review background checks, validate experience and exclude individuals who had worked within police forces or governments. We also have visibility and input into the level and amount of training these individuals receive.

## **Payments and benefits-in-kind**

With reference to the disclosure of payments to governments, we are committed to the principles of transparency and accordingly fully committed to the requirements outlined under various initiatives to increase this. We reported all of our payments within our Sustainability Reporting in accordance with the GRI "Publish What You Pay" initiative for 2013 and will publish the same report for 2014, and will implement new reporting requirements when introduced. The Sustainability Report can be found on our website under the SUSTAINABILITY heading.

## **Engagement, complaints and grievances**

Agnico Eagle has a whistleblower policy in place and has established a toll-free ethics hotline for anonymous reporting. Full details of the policy and the ethics hotline are posted on the company website under our Sustainability Governance report and Governance Ethics Hotline.

In addition to the "whistleblower" policy and hotline, Agnico implemented more formal grievance mechanisms and processes at each of our mines during 2014; following the guidelines established in "A Practical Design and Implementation Guide for Site-Level Community Response Mechanisms in the Resource Development Industry." These guidelines, developed jointly by the Mining Association of Canada and the Office of the Extractive Sector CSR Counsellor for the Government of Canada, provide a mechanism to tailor the development of processes to the individual needs of the communities in which we operate. The Pinos Altos and Mascota mines were subjected to an external TSM audit; the report was issued in April, 2015.

## **Nature of Gold Production**

Most of the Pinos Altos ore is treated in a processing plant, with the lower grade ore heap-leached. The process plant includes crushing, grinding, gravity concentration and agitated leaching followed by counter-current decantation. Gold is recovered using the Merrill-Crowe method. The Creston Mascota and La India ore is processed using heap-leaching; precious metals are recovered by carbon column circuits.

We maintain control over the extraction and transport of gold-bearing ore from the open pit and underground mines through the combination of the physical segregation of materials and the controls in

place relating to access to the mine itself. The gold is processed and refined into doré on site at Pinos Altos, Creston Mascota and La India. This allows Agnico to retain full control of the entire process.

While awaiting transport, the doré is kept physically secure within the confines of the premises.

### **Control of gold at the operation**

We have established processes, procedures and controls at the Pinos Altos, Creston Mascota and La India mines that provide control over gold and gold bearing materials. These processes and procedures are designed to limit access to appropriate individuals responsible for the milling and refining of gold from the point of entry into the mill; define boundaries and access points to the mine and the processing plants, refineries and over shipments from the mines to the refineries.

We have engaged independent consultants to conduct regular reviews to evaluate the risk of loss or theft of gold and gold-bearing materials at all stages of the processing. Where recommendations are made to enhance security we take these into consideration and will implement them based on an evaluation of the associated cost and benefits.

### **Transport**

Our gold and gold-bearing materials are transported directly from our mines to the refinery by transport services under the direct control of the refinery itself. We have established procedures and controls over the weighing, assaying and transport of the doré that provide Agnico with a high degree of confidence in our ability to detect the loss or tampering of gold during transit to the refinery. This includes processes and procedures to reconcile between our records and those of the refinery.

### **Externally Sourced Gold**

Agnico Eagle complies with Part D – Externally Sourced Gold Assessment as we do not source gold from third parties. Additionally, the company has produced the appropriate Management Statement of Conformance which is sent to our refiners, the next participant in the chain of custody, as required in Part E.

### **Conclusion**

Based on our assessment of the procedures and systems in place, Agnico complies in all respects with the principles and requirements of the Standard as they relate to the control on-site and during processing as well as over the transport to the refineries of gold and gold-bearing materials at our Pinos Altos, Creston Mascota and La India operations.

### **Independent Assurance**

Agnico retained Ernst & Young (“EY”), an independent assurance provider, to assess its conformance with the Standard. Ernst & Young has conducted their assessment under the Standard in respect to the period from January 1 – December 31, 2014 and confirmed that the mines identified under Section A, the Pinos Altos, Creston Mascota and La India operations in Mexico are in conformance with the Standard. Ernst & Young’s statement is available on our website.

If users of this report wish to provide any feedback with respect to Agnico’s adherence to the Standard or this report they should contact Louise Grondin ([louise.grondin@agnicoeagle.com](mailto:louise.grondin@agnicoeagle.com)) at Agnico Eagle Mines Limited.

## Appendix

### Management Statement of Conformance

Agnico Eagle Mines Limited confirms, to the best of our knowledge, that all gold or gold-bearing material produced by the mining and processing operations over which Agnico has direct control are in conformance with the World Gold Council's Conflict-Free Gold Standard.

This Management Statement of Conformance is provided by Agnico as a requirement of the World Gold Council's Conflict-Free Gold Standard and in order to provide a good faith representation to the next participant in the chain of custody.

This Statement covers all gold or gold-bearing materials dispatched from the Pinos Altos, Creston Mascota and La India mines for the 2014 calendar year and will be updated annually, or as required by the Standard. It also covers those mines operating in Canada and Finland, which were initially assessed in terms of Section A.

The World Gold Council's Conflict-Free Gold Standard was implemented on January 1, 2013. This Statement of Conformance covers the period January 1, 2014 to December 31, 2014. Limited assurance verifying Agnico's adherence to the Standard has been completed; and Agnico's Conflict-Free Gold Report, which describes Agnico's conformance to the requirements of the Standard as well as the independent assurance report are posted on [www.agnicoeagle.com](http://www.agnicoeagle.com) under the SUSTAINABILITY section.

## Independent Limited Assurance Report

### To the Board of Directors and Management of Agnico Eagle Mines Limited

We have carried out a limited assurance engagement on Agnico Eagle Mines Limited's ("AEM") Conflict-Free Gold Report (the "Report") for the year starting 1 January 2014 and ending 31 December 2014.

#### Subject matter and criteria

The subject matter consists of the Report, which includes a summary of AEM's assessment procedures that have been designed and implemented at AEM's mine sites in accordance with the World Gold Council *Conflict-Free Gold Standard, 2012* ("the Standard").

The reporting boundary of the Report includes all operating mining and processing sites over which AEM has direct control, including the following mine sites:

- ▶ Canadian Malartic, LaRonde, Goldex, Lapa and Meadowbank in Canada;
- ▶ Kittila in Finland; and
- ▶ La India, Pinos Altos and Creston Mascota in Mexico ("Operations").

#### AEM management responsibilities

The management of AEM is responsible for the preparation and presentation of the Report in accordance with the Standard. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by management as relevant for demonstrating compliance with the Standard are the activities described within the Report.

#### Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. Our assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and the guidance set out in the *Guidance for Assurance Providers* issued by the World Gold Council ("Audit Guidance").

Our procedures were designed to obtain a limited level of assurance on which to base our conclusions. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and, accordingly, we do not express a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls and, accordingly, we express no conclusions thereon.

This report has been prepared for AEM for the purpose of assisting management in determining whether AEM's Operations have complied with the Standard and for no other purpose. Our assurance report is made solely to AEM in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than AEM for our work, or for the conclusions we have reached in the assurance report.

### **Limited assurance procedures performed**

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. These procedures included:

- ▶ Enquiries of management to gain an understanding of AEM's processes, and risk management protocols in place.
- ▶ Enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Report.
- ▶ Assessing the suitability of policies, procedures and internal controls that AEM has in place to conform with the Standard.
- ▶ Review of a selection of the supporting documentation.
- ▶ Test a selection of the underlying processes and controls which support the information in the Report.
- ▶ Review of the presentation of the Report to ensure consistency with our findings.

### **Inherent limitations**

Non-financial information, such as that included in the Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to

draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as well as the measurement criteria may change over time. It is important to read AEM's methodology described in the Report.

### **Independence and competency statement**

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

### **Conclusion**

Based on the limited assurance procedures performed, as described above, we conclude that nothing has come to our attention that causes us to believe that AEM's Conflict-Free Gold Report, as at 31 December 2014, is not, in all material respects, fairly presented in conformance with the *Conflict-Free Gold Standard*.



Chartered Accountants  
Licensed Public Accountants

Toronto, Canada  
April 29, 2015



At Agnico Eagle we respect and value our employees because our progress is built on their competence, capacity and engagement. Norman Eeherk is an apprentice welder at Meadowbank.



**TRUST**

**RESPECT**

**EQUALITY**

**FAMILY**

**RESPONSIBILITY**

#### **AGNICO EAGLE'S FIVE PILLARS**

At Agnico Eagle, our efforts are supported by our Five Pillars: Trust, Respect, Equality, Family and Responsibility. These pillars define who we are and guide us in everything we do. They are a vital link to our history, central to our culture and an essential element to our success.



**AGNICO EAGLE**

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