Mine. Yours. Ours.

2018 SUSTAINABLE DEVELOPMENT REPORT



Ten years of reporting on progressive economic, environmental and social performance. Over 60 years of living up to our core values of operating safely, protecting the environment, and treating our communities and employees with respect. Decades of working collaboratively with our stakeholders to create value and deliver responsible growth for the benefit of future generations.



Mine. Yours. Ours.

The theme of Agnico Eagle's 2018 sustainable development report reflects our long-standing approach to doing business. We believe that in order for mining to work, it must work for all stakeholders.

Agnico Eagle has consistently created value for our shareholders and employees, but we are equally proud of the value we create for our mining communities. Whether it is high-quality jobs or training opportunities, or building much-needed infrastructure and support for a higher standard of living, Agnico Eagle seeks to develop mineral resources for the benefit of all.

We will continue to collaborate with our stakeholders to create growth and prosperity, allowing all stakeholders to benefit from our mining experience.

ABOUT THIS REPORT



The 2018 Sustainable Development Report marks the tenth year that Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") has produced a detailed account of our economic, health, safety, environmental and social performance. This report covers the period from January 1 to December 31, 2018. It is intended to give stakeholders a better understanding of how the Company manages the challenges associated with our health, safety, environmental and social risks.

This report has been prepared in accordance with the Sustainability Reporting Guidelines developed by the Global Reporting Initiative (GRI), including mining industry specific indicators incorporated into the Mining and Metals Sector Supplement. It also describes performance under the Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) Initiative.

The Canadian Malartic mine's (50% Agnico Eagle) sustainable development performance is reviewed in a separate report that can be found on the website canadianmalartic.com.

Unless otherwise specified, all funds are reported in USD and all information in this report is as of December 31, 2018.

Contact Us

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

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Sustainable Development
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On the cover:

Celebrating Meliadine's first gold pour (on February 21, 2019), are (from left to right) underground equipment operators Gloria Kaludjak, Beth-Dian Napayok, Hannah Pilakapsi and Angela Misheralak. We believe the biggest contribution we can make to the well-being of the communities in which we operate is through the creation of long-term employment opportunities and the provision of economic development opportunities.

OUR APPROACH



An Inukshuk oversees Rankin Inlet, the community near Agnico Eagle's Meliadine project in the Kivalliq region of Nunavut, Canada. Inuksuit were erected by Inuit to serve as guideposts or markers, pointing the right direction or safe passage. They are a symbol of safety, hope and friendship and remind us of our mutual dependence.

Agnico Eagle promotes a culture of excellence that encourages our employees to continuously improve their skills and performance and to not only meet, but exceed, regulatory requirements for health, safety, community development and the environment.

We continue to integrate sustainable development considerations into our business strategy and in the way we plan and manage our activities. Our Sustainable Development Policy reflects an emphasis on health and wellness, our commitment to the protection of human rights, and a commitment to minimize risks associated with the management of tailings and water. During the year, we continued to strengthen governance of our mine waste and water management infrastructure. We also established a dedicated Indigenous Relations team to advance our engagement with First Nations, Métis, Inuit, and other Indigenous Peoples. We also confirmed our diversity and inclusion commitment in implementing a policy that enhances our practices in this regard.

Responsible Mining: The Responsible Mining Management System (RMMS) is the foundation upon which we are building our capacity to manage the commitments made in our Sustainable Development Policy. Our RMMS is consistent

with the ISO 14001 Environmental Management System and the OHSAS 18001 Health and Safety Management System. Following a 2017 audit of RMMS, we have increased our focus on risk management, which will be reflected in our 2019 strategic priorities.

Towards Sustainable Mining: Canada's Towards Sustainable Mining (TSM) initiative of the Mining Association of Canada (MAC) promotes best practices in environmental protection, energy efficiency, community engagement, safety and transparency. In 2018, all six Agnico Eagle sites that undertook a TSM external audit (covering the year 2017) were honoured with a TSM Leadership Award. Each site achieved Level As or better in all key performance indicators. TSM external audits are performed every three years and improved performance during these audits is a condition of membership in MAC.

Cyanide Code: In 2018, four of Agnico Eagle's mines that use cyanide in their ore processing (Kittila, Pinos Altos, La India and Meadowbank) were re-certified as compliant with the International Cyanide Management Code – a voluntary program developed under the guidance of UNEP1 in partnership with members of the International Council on Metals and the Environment. The LaRonde mine is working toward its first certifications in 2021.

1. United Nations Environment Program.

ABOUT THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS















Agnico Eagle is working to support progress on the United Nations Sustainable Development Goals (UN SDGs). We recognize that the mining industry has an opportunity to positively contribute to all 17 of the UN SDGs. Throughout this report, we describe how our activities are related to them in the UN SDG Spotlight found in the different sections.

Agnico Eagle Mines Limited

A Message from Our Senior Vice-President

LOUISE GRONDIN, SENIOR VICE-PRESIDENT ENVIRONMENT, SUSTAINABLE DEVELOPMENT AND PEOPLE



Every year, for the past 10 years, I have been putting pen to paper to introduce Agnico Eagle's Sustainable Development Report. Much has changed in the last ten years, both inside Agnico Eagle and all around us.

We are a much larger company than we were in 2009, but I am proud to say that Agnico Eagle "feels" the same. We remain true to our values and culture while adapting to a changing world, with ever-evolving needs and expectations.

That evolution is reflected in the relentless demand for more transparency around environmental accountability, social acceptability, stakeholder engagement and the pursuit of a low-carbon future.

Our sustainability approach has helped us strike the right balance in the face of all this change. It has given us a strong foundation from which to listen closely to the needs and aspirations of our stakeholders, while building a high-quality, low-risk and sustainable business. By holding ourselves accountable for improved economic, environmental and social performance, we have become a more efficient, innovative and profitable company.

Agnico Eagle will continue to adapt and improve our practices to meet the expectations of our stakeholders. We want our mines to be their mines. We want them to be proud to have us as their business partner, neighbour, employer and portfolio investment.

Fortunately, the nearly 9,000 people (employees and contractors) who work for Agnico Eagle are focused on building a safer workplace, a more environmentally friendly operation, and ensuring the benefits of mining endure well beyond the life of mine.

In 2018, after years of continuous improvement in safety performance, we experienced a tough year in Nunavut with extensive construction activities carried out in harsh conditions and with many different contractors. On the environmental front, we continued to strengthen the governance of our tailings management program, using MAC's updated Tailings Guide to modernize our protocols. We worked in partnership with our community stakeholders, seeking to continuously earn their trust over time. We made a specific effort to reach out to our First Nation neighbours by creating a dedicated Indigenous Relations team and by engaging with them on upcoming projects.

Increased transparency is essential to maintaining trust. We increased our stakeholder communications on health, safety, environment and social risk throughout the year, hosting our first Environmental, Social and Governance (ESG) session with shareholders. It will become a standard means of communicating our performance and our actions for continuous improvement in ESG matters.

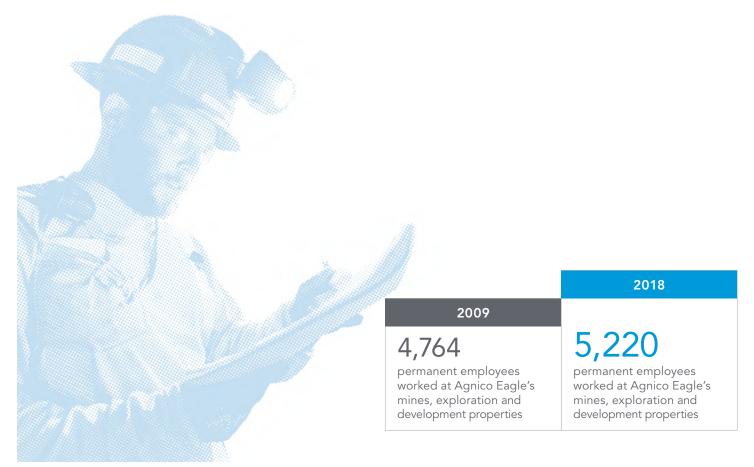
I am very proud to work for Agnico Eagle. Every day, our employees dedicate themselves to doing the right thing and delivering on our commitments. A future dedicated to creating positive change for generations to come.

Louise Grondin

Lyuise Grondin

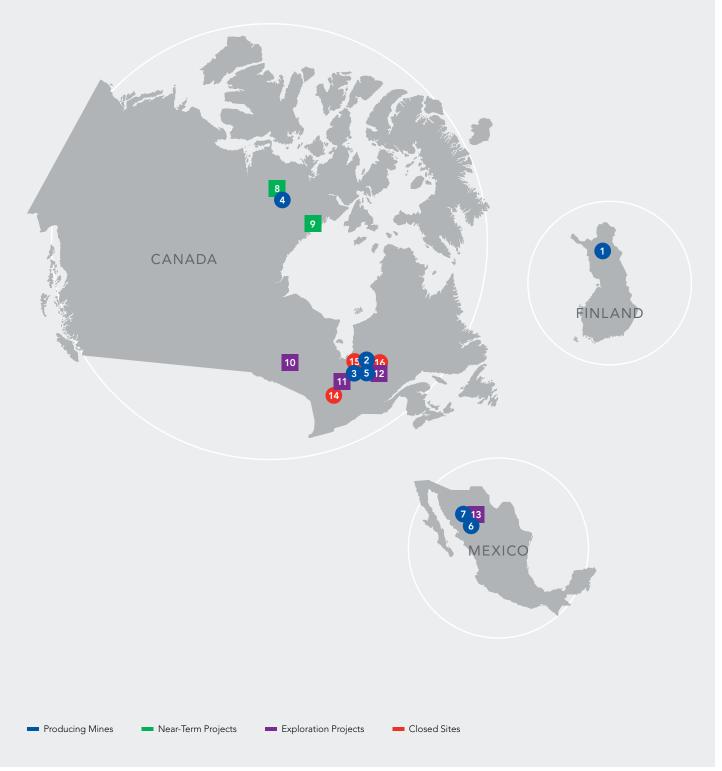
Senior Vice-President, Environment, Sustainable Development and People

March 12, 2019



At-a-Glance

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957. Our operating mines are located in Canada, Mexico and Finland. We are currently completing the development of the Amaruq and Meliadine projects in Nunavut, Northern Canada.



Agnico Eagle Mines Limited 2018 Sustainable Development Report 5

Producing Mine

Near-Term Project

Exploration Project

Closed Sites

Offices

OPERATING MINES



1. Kittila Mine Lapland, Finland Underground mine 2018 payable production: 188,979 ounces of gold



2. LaRonde Complex Quebec, Canada Underground mines

LaRonde Mine 2018 payable production: **343,686 ounces of gold**

LaRonde Zone 5 2018 payable production: **18,620 ounces of gold**



3. Goldex Mine Quebec, Canada Underground mine 2018 payable production: 121,167 ounces of gold



4. Meadowbank Mine Nunavut, Canada Open pit mine 2018 payable production: 248,997 ounces of gold



5. Canadian Malartic Mine (50%) Quebec, Canada Open pit mine 2018 payable production: 348,600 ounces of gold



6. Pinos Altos & Creston Mascota Complex
Chihuahua State, Mexico
Open pit and underground mine with milling and
heap leach operation (gold, silver by-product)

Pinos Altos Mine 2018 payable production: 181,057 ounces of gold Creston Mascota Mine 2018 payable production: 40,180 ounces of gold



7. La India Mine Sonora State, Mexico Open pit mine with heap leach operation 2018 payable production: 101,357 ounces of gold

NEAR-TERM DEVELOPMENT PROJECTS



8. Amaruq-Whale Tail Project Nunavut, Canada Gold mine development project Being developed as a satellite mining operation to

Meadowbank mine.



9. Meliadine Project Nunavut, Canada Gold mine development project

Producing Mine

Near-Term Project

Exploration Project

Closed Sites

Offices

EXPLORATION PROJECTS

10. Hammond Reef Northwestern Ontario, Canada

Gold exploration project where open pit measured and indicated mineral resources have been outlined.

11. Kirkland Lake Northeastern

Ontario, Canada The project covers approximately 27,073 hectares and mineral reserves and mineral resources have been outlined on several properties.

12. Canadian Malartic -Odyssey & East Malartic Projects (50%) Quebec, Canada

Potential new source of underground ore located east of the Canadian Malartic mill.

13. Santa Gertrudis Sonora State, Mexico

An historical heap leach operation that produced approximately 565,000 ounces of gold at a grade of 2.1 g/t gold from 1991 to 2000.

CLOSED SITES

14. Cobalt-Coleman **Properties**

Ontario, Canada Mining activities ceased in 1989; postclosure monitoring and maintenance are carried out. The Company is now working with local stakeholders and government authorities to develop rehabilitation plans in this area of historic mining activity.

15. Lapa

Quebec, Canada Mining activities ceased on December 31, 2018. Closure activities are underway.

16. Eagle & Telbel Quebec, Canada

Mining activities ceased in 1993. Infrastructure areas have been rehabilitated and revegetated. Postclosure monitoring and maintenance activities are still being carried out. The Company is also currently testing some rehabilitation techniques to allow for more permanent solutions to close the tailings storage facility.



For a detailed description of the Company's mineral reserves and mineral resources, please see the Company's news release dated February 14, 2019.

Forward-Looking Statements: Certain statements contained in this report constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws and are referred to herein as "forward-looking statements". Such statements include, without limitation, statements regarding the Company's future plans in the areas of sustainable development, health, safety, environment and community development. Such statements reflect the Company's views as at the date of this report and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements. For a detailed discussion of such risks and other factors that may affect the Company's ability to achieve the expectations set forth in the forward-looking statements contained in this report, please see Company's Annual Information Form for the year ended December 31, 2018 filed with Canadian securities regulators on SEDAR at www.sedar.com. Other than as required by law, the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

Overview

We are committed to maintaining high performance standards in health, safety, environment and community development. Sustainable development is integrated into our business strategy and our management principles. For Agnico Eagle, it is a non-negotiable item of good management.

Health and Safety



IN THIS SECTION

Progress toward our aspirational zero harm² safety targets as well as the advancement of a positive culture of safety, high-potential risk control, occupational health and hygiene, and safety performance.



Case Studies

La India's outstanding safety culture built on the right knowledge, skills and attitudes 13 LaRonde employs latest technology to improve mine rescue at depth 15 Teaming up with contractors in Nunavut to strengthen our safety performance 16

Environment



IN THIS SECTION

Performance related to energy use, greenhouse gas emissions, environmental compliance, water management, tailings and waste management. Performance information on our biodiversity management plans, reclamation, closure planning, and maintenance of legacy sites.



Case Studies

Meeting our stewardship obligations for shared water resources 24 New advisory panel shares Inuit traditional knowledge to protect caribou 25 Kittila heat recycling program boosts energy savings, reduces carbon 27 footprint

People



IN THIS SECTION

Progress toward maximizing local employment levels, work in labour relations. talent attraction and retention, training and development, diversity, equal opportunity and non-discrimination.



Case Studies

Choosing civility and respect in the workplace 32 Fostering a more diverse and inclusive workforce 36 Growing Agnico Eagle's Inuit workforce 38

2. No lost-time accidents, restricted work cases or fatalities during the calendar year.

Communities



IN THIS SECTION

Progress on implementing our community relations framework (feedback, grievances and dispute mechanisms), and community investments. Advancing our work to protect human rights and engaging with stakeholders including Indigenous Peoples through cultural awareness training, employment, business opportunities and negotiating agreements.



Case Studies

A culture of family, caring and community well-being 44 Partnering with communities for environmental protection 46 Building enduring relationships with our host communities 48

Economic



IN THIS SECTION

Our work in generating economic value for stakeholders and in supporting the social and economic development of the communities where we operate, including our tax contributions, our efforts to prioritize local employment and local procurement.



Case Studies

Agnico Eagle recognized as a high-quality job creator and recruiter 55 Unlocking Nunavut's potential – 10 years of growth and economic 57 development

Agnico Eagle Mines Limited

Health and Safety

BEING ACCOUNTABLE, REMAINING SAFE



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. This is accompanied by a shift to aspirational zero harm safety targets and leading performance indicators.

Global Safety Performance

Our combined lost-time accidents (LTA) and restricted work cases (RW) frequency rate for employees and contractors was 1.28, as compared to our objective of achieving a rate of 1.10. Our safety performance, unfortunately, fell short of our target objective mainly due to the extensive construction activities at our Nunavut operations, which contributed to a higher number of incidents recorded for the year, leading to a higher combined frequency than targeted. It is important to note, however, that safety performance for the year improved over 2009 levels, a similar period of intensive construction during the development of our Meadowbank mine.

Excluding Nunavut, the combined LTA and RW frequency rate of Agnico Eagle's six other operating mines was at 0.62 as compared to 0.70 in 2017, with all six mines below their frequency objective for the year. Lapa, once again, achieved triple zero performance.³ This is particularly meaningful given that Lapa ceased mining operations at the end of 2018, signifying that employees continued to take that extra step to ensure their colleagues' safety. Also, the Exploration group did not record any lost-time accidents in 2018.

 $^{{\}it 3. No lost-time accidents, restricted work cases or fatalities during the calendar year.}\\$



Our employees and contractors worked a total of 20,227,598 hours in 2018 – the highest ever recorded – as compared to 18,110,348 hours in 2017. This increase highlights the challenge we faced during the year to ensure new members of our workforce had the proper competencies and leadership skills to immediately perform at optimal levels. This was particularly a challenge in Nunavut, where the intense construction period meant there were less experienced people working onsite. This, combined with a younger supervisory team, impacted our global safety performance with nearly 59% of accidents recorded at our Nunavut operations, which represent 30% of Agnico Eagle's workforce.

In 2018, we experienced a total of 129 accidents, which resulted in either lost-time (68 accidents where the employees could not return to work immediately) or restricted work cases (61 accidents where the employees continued to work but not in their regular job). Encouragingly, we ended the year on a strong note with Goldex, Lapa and La India Mines and the Exploration group recording no lost-time accidents during the fourth quarter.



In 2018, Lapa Mine achieved triple zero performance³

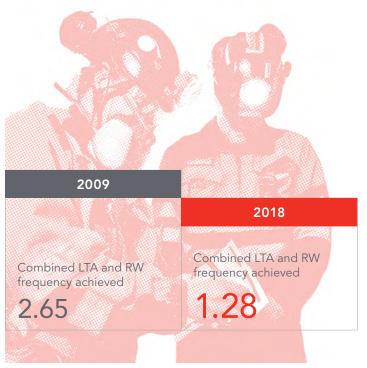
Health, Safety and Security Initiatives

During the year, we completed the implementation of a collision avoidance system at both LaRonde and Goldex Mines. This system is designed to improve underground pedestrian safety in hard rock mines. We also completed a full audit of the Formula of Supervision, our daily risk assessment tool, at all of our sites. Additionally, all sites completed a series of in-house activities related to mental health and stress management in the workplace.

In collaboration with the University of Montreal, we completed a research project on diesel exposure at our Goldex and LaRonde mines, which led to the publication of three peer-reviewed papers in scientific literature. The study concluded that our diesel exposure control programs at our underground mines are performing well.

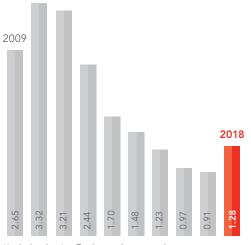
For the first time in the history of the International Mining Rescue Competition, an all-woman Canadian Mining Rescue Team participated in this prestigious event, which was held in Russia during September. Two of the seven team members were Agnico Eagle employees.

Safety remains a priority for the Company and for our employees and contractors



COMBINED LOST-TIME ACCIDENTS AND RESTRICTED WORK CASES FREQUENCY*

(per 200,000 person hours worked)



*Includes Agnico Eagle employees and contractors.



2018 KEY HIGHLIGHTS



0

fatalities

1.28

combined lost-time accident and restricted work frequency

20,227,598

hours worked, the highest in Agnico Eagle's history 0

lost-time accidents recorded by our Exploration Group

1

perfect year of safety recorded by Lapa; triple zero performance, 52 weeks worked with no losttime accidents, no restricted work cases and no fatalities

Our Health + Safety Commitment

To achieve a safe and healthy workplace, we:

- use sound engineering principles in the design and operation of our facilities;
- promote overall health and wellness and establish programs to protect them;
- provide appropriate training for all employees and contractors, at all stages of exploration, development, construction and operations;
- identify, prevent, eliminate or mitigate the risks to health, safety and industrial hygiene;
- 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.



La India's outstanding safety culture built on the right knowledge, skills and attitudes

In 2018, our La India mine in northern Mexico was recognized as a national leader in mine safety.

Not only was La India the only mine in Mexico to gain certification of its Occupational Health and Safety (OHS) management system by the country's Secretariat of Labor and Social Welfare, it was recognized as the "Safest Mine in Mexico" by the Mexican Mining Chamber (in the open pit category ≤500 employees).

The mine, not surprisingly, also achieved the highest level of regulatory compliance in the federal government's Voluntary "Self-Management" Program. And crossing borders, La India achieved a perfect score (AAA) across all indicators of health and safety on the Toward Sustainable Mining (TSM) Protocols established by the Mining Association of Canada – now considered a global standard for sustainable mining practices.

Just how did La India Mine nurture such an outstanding safety culture and performance?

"Our safety program relies very heavily on leading by example and underscoring that safe production is the Number One priority of our leadership team. That's why we decided to put our leaders through an intensive competency-based training program – to ensure they had the right knowledge, ability and attitude to drive that message

home to our employees, contractors and community stakeholders," says Ivan Montiel, Mine Manager. "It has resulted in improved safety performance and a reduction in the number of accidents in the field."

The training program was developed by Mexico's Ministry of Education and Department of Labor and it is the highest competency-based standard for OHS in the country. To date, 60 members of Agnico Eagle Mexico's leadership team from La India Mine, Pinos Altos Mine and Exploration group Mexico have taken the training and 47 have already received their graduation certificates.

According to Gildardo Montenegro, Administrative Manager, "This training complements Agnico Eagle's own standards and principles – our in-house Responsible Mining Management System – because it recognizes that in order to work safely an organization must have three key things: a high level of technical OHS knowledge; a leadership team who has the skills to apply and transmit this knowledge in the field; and, the right attitudes, habits and values to ensure everyone works in a safe and sustainable manner."





2009 — 2018

Agnico Eagle over the years

2010



Kittila Mine establishes a mine rescue team.

2012



Implementation begins on a formal, integrated Health, Safety, Environment and Social Acceptability Management System – known as the Responsible Mining Management System (RMMS) – to assist in fulfilling our commitments and responsibilities, and to improve performance.

2015



Goldex Mine implements its "Entreprise en Santé" standard, offering health-related activities, such as stress management seminars.

2017



La India and Lapa mines achieve perfect combined accident frequency rates.





LaRonde Mine employs latest technology to improve mine rescue at depth

Our LaRonde mine has entered a new era in deep mining and in mine rescue safety.

Already the deepest mine in the Americas, the Company is evaluating the potential to mine below the currently planned 3.1 kilometre depth at LaRonde Mine.

To mine at such depths takes innovation and ingenuity to ensure employees have the right tools to work safely in compliance with Quebec's stringent mine rescue regulations and protocols.

One of those tools is LaRonde Mine's newly purchased Dräger MRV 9000 – a state-of-the-art mine rescue vehicle, one of only two such machines currently operating in the world. The Dräger's unique design enables LaRonde's mine rescue team to reach any potential victims at the deepest levels of the mine within prescribed time limits.

Unlike standard mine rescue trucks, all emergency personnel sit inside a closed, positive-breathing pressurized cabin in the Dräger truck. Compressed air tanks pump clean air into the cabin, ensuring air flows out instead of in and protecting passengers from smoke or any airborne toxicants. It also means mine rescuers don't have to wear their respiratory equipment as they travel underground, wasting precious air. Instead, they only need to put their masks on once they reach their destination, step out of the vehicle, and begin their

DRÄGER MRV 9000

Unlike standard mine rescue trucks, all emergency personnel sit inside a closed, positive-breathing pressurized cabin in the Dräger truck mine rescue operations. LaRonde Mine plans to build a number of small underground areas to store the Dräger and extra compressed air tanks, reducing the travel time from surface and extending the time the vehicle can be operating.

Christian Goulet, LaRonde's General Manager, says, "Safety is always first. The Dräger allows us to not only be compliant with Quebec's mine rescue regulations, it maintains the high levels of safety we demand of ourselves. We worked very closely with Mine Rescue Quebec to develop new mine rescue protocols for this industry-leading vehicle that will allow our employees to mine safely at deeper levels."

LaRonde Mine is employing other tools to safely optimize, automate and innovate as it mines deeper. Over the past two years, the mine has installed communications technology, including an LTE-4G network, which allows for real time communication and data collection throughout the mine, and a proximity warning and collision avoidance system that uses radio frequencies to detect individuals, vehicles and hazards underground.



Teaming up with contractors in Nunavut to strengthen our safety performance

In 2018, intensive construction at our new Meliadine and Amaruq projects generated health and safety challenges in Nunavut. More than 1,200 contractors were active in Nunavut during the year, which required extensive coordination and management to ensure all workers received proper training and supervision to perform their daily tasks in a safe environment.

While the year ended strongly, declining health and safety performance during the peak construction period generated a need to re-evaluate our approach. Under the leadership of Meadowbank and Meliadine's management teams, several programs were introduced to enhance safety behaviour and performance. Meadowbank emphasized the concept of "natural safety" based on the Dupont Bradley curve, which focuses on the foundational behaviours that reduce safety risks in the workplace. At Meliadine Project, we met one-on-one with its contractors to communicate expectations around the need to minimize risks within this group, where the majority of incidents were recorded during the first half of the year.

Similarly, Agnico Eagle's Exploration group meets annually with its main drilling contractor Orbit Garant to conduct a review of their joint safety performance. "Our goal was to discuss what went right, what went wrong, and to develop an action plan to improve our safety performance for the year ahead," says Mike Malocsay, Agnico Eagle Exploration's Health and Safety Manager.

"Meeting face-to-face forms a bond that removes communication barriers and helps us address any outstanding issues. It's this mindset that allows us to identify risks, develop solutions and work together to prevent accidents in the future." Based on the day-long review, Agnico Eagle and Orbit Garant plan to introduce new safety initiatives in 2019 including: doing both pre and post drill inspections; conducting third-party industrial audits of drilling activities and practices; equipping drills with rod manipulators to reduce the number of hand and finger injuries; and, conducting more investigations to find the root cause of accidents.

The result of all these initiatives was a renewed focus on safety leadership and supervision which improved our performance in the latter part of 2018, particularly for new and inexperienced workers onsite. With this foundation, we will continue to improve our health and safety performance in Nunavut in the years to come.



Robert Fraser, senior geologist at Agnico Eagle, checks in with an employee from Orbit Garant at our Amaruq site.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



UN SDG 3: Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages

The health and safety of our employees and contractors is a core value and of paramount importance to Agnico Eagle. Our goal is to ensure our workforce has the knowledge, tools and training they need to perform their duties in an optimal and safe manner.



UN SDG 9: Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Agnico Eagle works with our local communities to support sustainable growth and the development of local infrastructure and other community initiatives. We foster innovation by participating in leading-edge mining industry initiatives, as well as by investing in R&D to reduce our environmental footprint and implement new underground technology that supports our commitment to providing a safe and healthy work environment.

Environment

SHARING RESOURCES, MITIGATING RISKS



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

Energy Use

Our annual electricity consumption from the grid increased by 1% to 969 gigawatt hours (GWh) in 2018 from 960 GWh in 2017.

Our annual electricity production decreased to 146 GWh from 154 GWh in 2017. This decrease was related to lower throughput of 15% at the Meadowbank mill due to ore depletion at the Vault and Portage pits.

Overall, the total amount of electricity used, both from external grids and generated onsite, increased to 1,115 GWhfrom 1,114 GWh in 2017. Goldex Mine's usage increased due to the start-up of Deep 1 mining zone and the introduction of the Rail Veyor system. At Kittila and La India Mines, the increase is attributed to increased ore treatment.

Total diesel fuel use of our operating mines decreased from 110.3 million litres (ML) in 2017 to 107.7 ML in 2018. Of that quantity, 68.5 ML (65%) were used for mining, 37.7 ML (35%) for power generation, and 1.5 ML (<1%) were for other uses.

Operations at Meadowbank Mine accounts for 61% of the total diesel fuel usage of the Company. In 2018, Meadowbank Mine reduced its diesel usage by 5%, from 69 ML in 2017 to 66 ML due to the decrease in mined tonnes as the Vault and Portage pits were being depleted. Goldex Mine decreased its use of diesel by 15% due to the commissioning of the Rail Veyor, which replaced 14 conventional 45-ton trucks for ore transportation. LaRonde Mine's 9% increase of diesel usage is related to the startup of the LZ5 mine, extending the area of mining activity.





Water stewardship for Agnico Eagle focuses on reducing the ecological effects from our effluent discharges into any receiving waterbodies we share with our local communities.

Diesel fuel usage intensity increased by 3.1% overall to 5.36 litres per tonne of ore processed from 5.20 litres in 2017. This is attributed to the lower throughput at Meadowbank, Pinos Altos and Lapa Mines.

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 both in tonnes of GHG (CO $_2$ equivalent) and in intensity, which is the amount of tonnes of GHG (CO $_2$ equivalent) per tonne of ore processed.

Total direct and indirect GHG emissions were 411,346 tonnes of CO_2 equivalent in 2018, a 0.1% decrease from 2017. This is attributed to the decrease in mined tonnes as the Vault and Portage pits at Meadowbank Mine were being depleted, the closure of the open pit at Pinos Altos Mine and the commissioning of the Rail Veyor at Goldex Mine. LaRonde Complex increased its GHG emissions due to the startup of the LaRonde Zone 5.

Our average GHG emission intensity (tonnes of ${\rm CO_2}$ equivalent per tonne of ore processed) for all of our operating mines increased by 5% from 0.019 in 2017 to 0.021 in 2018. This is attributed to lower throughput at Meadowbank, Pinos Altos and Lapa Mines.

In 2019, we will continue working on initiatives to help reduce GHG emissions from our operations. For example, we are currently working with a coalition of Inuit representatives and businesses to look at alternative energy sources in Nunavut. With the region's total reliance on diesel fuel for energy, we are, in the near-term, pursuing a wind farm project at Meliadine that, if successful, would

not only provide economic benefits but also significantly reduce our carbon footprint. The long-term goal of the coalition is to build hydroelectric transmission and fibre-optic infrastructure from northern Manitoba to the Kivalliq region, delivering a cleaner and more sustainable energy for the benefit of future generations.

A similar initiative in Mexico is poised to bring a steady supply of electrical power to our La India mine, while benefiting local communities and families.

Water Management

Water governance can be defined as using water efficiently, maintaining water quality, and engaging with communities to collaboratively manage a shared water resource through the mining life cycle.

Developing a water governance program at Agnico Eagle is key to our success given the range of climates that we operate in and the volumes of water that we impact presently and may impact in the future. In 2018, we began developing a water management guide for all of our operations. It is being prepared by a water internal governance committee and supported by the recently developed corporate standard (CS) document for water management, following the introduction of MAC-TSM's new Water stewardship protocol. Work on this initiative will continue during 2019.

 $\begin{array}{c} \textbf{2018} \\ \textbf{2009} \\ \textbf{104,052} \\ \textbf{tonnes of CO}_2 \ \textbf{equivalent} \\ \end{array}$

Five mines in operations in 2009. Eight mines reporting in 2018.





In 2018, the total fresh water withdrawn by Agnico Eagle from all sources was 7.340 million m³ (Mm³), a 14% increase from 6.416 Mm³ in 2017. La India required more volume of fresh water to offset a dry 2017 season and maintain the water ponds at optimum levels of operation. LaRonde's new Zone 5 generated additional need for fresh water use.

Our total water use was $0.37~\text{m}^3$ per tonne of ore processed, up from $0.30~\text{m}^3$ per tonne in 2017, which represents a 21% increase. This is attributed to the increase of fresh water use mentioned above and lower throughput at Meadowbank, Pinos Altos and Lapa mines.

Effluent Discharge

In 2018, the total volume of effluent released to the environment from all of our mining operations decreased by 19% as compared to 2017 levels – at 9.8 Mm³. This decrease was widely spread amongst the mines, with a 1 Mm³ decrease at Kittila Mine – the largest decrease – resulting from a very dry year in terms of precipitation, and with approximately a 300,000 m³ decrease at each LaRonde, Meadowbank and Goldex Mines.

Water discharge intensity decreased by 15% at 0.49 m³/tonne of ore processed in 2018 compared to 0.57 in 2017, despite the lower throughput at Meadowbank, Pinos Altos and Lapa Mines.

Waste and Tailings Management

In 2018, we managed tailings storage facilities (TSF) across our operations (LaRonde, Goldex, Kittila, Pinos Altos and Meadowbank) and legacy properties (Joutel, Cobalt and Kirkland Lake). All facilities performed as intended, with no significant incidents and with their inspections and reviews conducted as scheduled. We continued to strengthen governance of our mine waste and water management infrastructure. Independent Reviewers (IRs) were appointed for LaRonde and Kittila Mines, while Meadowbank's was already in place. Additionally, Responsible Persons (RP) and Engineers of Record (EoR) have been identified for the LaRonde, Kittila and Nunavut sites. In 2019, we will continue the implementation of the new TSM Tailings Protocol, including identification of RPs and EoR, and the implementation of external review panels.

In an effort to optimize rock storage design and water management, a series of measures were implemented in 2018: Agnico Eagle officially joined the International Network of Acid Prevention (INAP); and, with the help of a reinforced technical team, and the creation of a multi-disciplinary steering committee (Environment, Metallurgy and Geology), geochemical characterization practices have been refined and communicated across the operations. Additionally, as a partner of the UQAT– Polytechnique Research Institute on Mines and Environment in Quebec, Agnico Eagle supports and participates in research projects that address current and upcoming environmental challenges. Through this partnership, we aim at developing and applying innovative and practical environmental solutions to issues associated with waste, tailings and water management as well as mine site reclamation.

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. In 2018, the total ore tonnage processed both through our milling and heap leach facilities was approximately 20.1 metric tonne (Mt), a decrease of 5% compared to 2017. The tonnage of ore stored on heap leach facilities was approximately 7.8 Mt, as compared to 8.4 Mt in 2017. This decrease is attributed to the reduction of pit tonnage at Pinos Altos which was the main source of heap leach ore.

The total amount of tailings produced by the milling operations was approximately 12.4 Mt, as compared to 12.8 Mt in 2017, a decrease of 3%. From the 12.4 Mt of tailings produced in 2018, approximately 3 Mt or 24% were returned underground as backfill. The remaining tonnage of 9.4 Mt was deposited on surface at our different tailings storage facilities. This compares with 10 Mt in 2017. This decrease is mostly attributed to the decrease in throughput at Meadowbank Mine.

In 2018, Agnico Eagle's mining operations generated 39.4 Mt of waste rock compared to 46.6 Mt in 2017. Meadowbank Mine decreased its waste mined by 44% due to the depletion of the Vault and Portage pits and the fact that Kittila, Pinos Altos and La India Mines increased their waste due to new development.



Water evaporators at the Meliadine project in Nunavut are used during the open water season to reduce the volume of saline water stored at surface, thus reducing the potential of saline water migrating within our footprint.





Our risk management approach extends from improving management of our large tailings and water infrastructures, to increased reporting, scrutiny and care for small oil spills.

Reclamation and Closure

Closure and reclamation are an integral part of the mining life cycle. We strongly believe that they must be integrated into the project planning and design to limit our environmental footprint as much as possible and return the land to its natural and useful state after mining operations have ceased. We are committed to rehabilitating our sites to ensure long-term physical and chemical stability, in consultation with nearby communities and in a timely manner.

- Goldex Mine: In collaboration with the Ministry of Natural Resources of Quebec, we continued reclamation of the orphan site "Manitou", located 20 kilometres east of the mine site. For several years, Goldex's inert tailings have been the main ingredient of a reclamation cover concept to reclaim the orphaned Manitou TSF. In 2018, the Goldex mine closure plan was updated and progressive rehabilitation work was done, with the reclamation of the former exploration shaft #1.
- Lapa: Lapa reached the end of production in December 2018. The underground mine closure activities that started in 2018, such as mobile equipment and fixed equipment dismantling, will continue in the first half of 2019. A fair amount of this equipment will be reused by other Agnico Eagle Canadian operations. Custom milling of the Lapa ore at the LaRonde processing complex makes this site a good example of mine design taking into consideration the closure in the early stages of the project. The Lapa surface footprint is small, consequently the global reclamation effort and costs will be low.
- LaRonde Complex: The LaRonde mine closure plan was updated and we received official approval for the closure plan for the Bousquet area, submitted in 2017. In parallel, we are continuing the follow-up of nine experimental cells in order to evaluate different options for the final TSF rehabilitation method. Progressive rehabilitation of the former #1 waste rock storage area has continued with soil remediation of the exposed surface and construction of twelve experimental cells to test revegetation methods.

- Pinos Altos and Creston Mascota Complex: The conceptual closure plan for Creston Mascota Mine is being developed and progressive rehabilitation is continuing at Pinos Altos Mine.
- Joutel Legacy Sites: In 2018, we updated the geochemical conceptual model to improve TSF rehabilitation.
- Cobalt Legacy Sites: We continued to improve the state of properties in the Ontario Cobalt historical mining camp. Several features such as shafts and adits have been rehabilitated, with investigation work performed on several other features.



Tailings storage facilities at the LaRonde Complex.



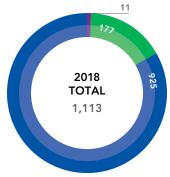
Biodiversity

Agnico Eagle is dedicated to better understanding biodiversity and integrating conservation actions into our planning and operations. We recognize that our biodiversity footprint can extend beyond our local borders and areas of immediate influence. That is why we coordinate and share our biodiversity protection actions company-wide – allowing us to integrate best practices and magnify our potential to positively impact ecosystems. Careful land use planning, done in consultation with local communities, also allows us to identify critical habitat and species, and put forward initiatives to monitor, study, protect and support ecosystem functions now and for the future.

- Kittila Mine Finland: An 8-ha conservation area was established to transplant and protect the Lapland buttercup, a rare northern plant species.
- Nunavut Operations: An ongoing five-year project was started to better characterize natural recolonization niches of biological soil crusts and tundra vascular plants after disturbance in this pristine, fragile and still to be understood ecosystem.
- Joutel Legacy Sites Quebec: We partnered with University du Québec en Abitibi-Témiscamingue to evaluate how former mining ponds are used by waterfowl in the boreal landscape. This knowledge will support improved closure design and actions.
- Akasaba Project Quebec: We developed a comprehensive Compensation Plan to support government initiatives in the protection of the Val-d'Or Woodland Caribou endangered population.
- LaRonde and Goldex Mines Quebec: We collaborate with Biodôme de Montréal and others to help butterfly and bee populations by selecting revegetation species for our progressive rehabilitation actions that support their life cycle.
- Cobalt Legacy Sites: Our rehabilitation actions in this former mining camp support the conservation of bats and bat habitat.
- Mexico Operations: By partnering with the governments of Mexico and the United States, we support the protection of the endangered bald eagle, whose habitat range extends from Mexico to Canada.







In 2018, we reported 1,113 incidents: 1,070 spills, 3 material damage incidents, 3 exceedances, 11 noise incidents, 2 dust incidents, 8 impacts on wildlife, 4 dike incidents and 12 water treatment malfunctions. The 4 dike incidents reported pertain to surface erosion events on internal dikes at the Manitou site where Goldex tailings are used for rehabilitation. These events were remediated immediately and had no environmental consequences. In 2017, we reported 929 incidents. Now that incident reporting is a well-entrenched practice, we continue to focus on improving the quality of the reports (incident classification) and on prevention. A prevention action plan is being developed to reduce incident probability and consequences.



2018 KEY HIGHLIGHTS



411,346

tonnes (CO₂ equivalent) of GHG produced by our operations

0.02

tonne of CO₂ equivalent per tonne of ore treated

12.4M

tonnes of tailings generated by our operations

24%

of tailings returned underground in paste backfill

9.8Mm³

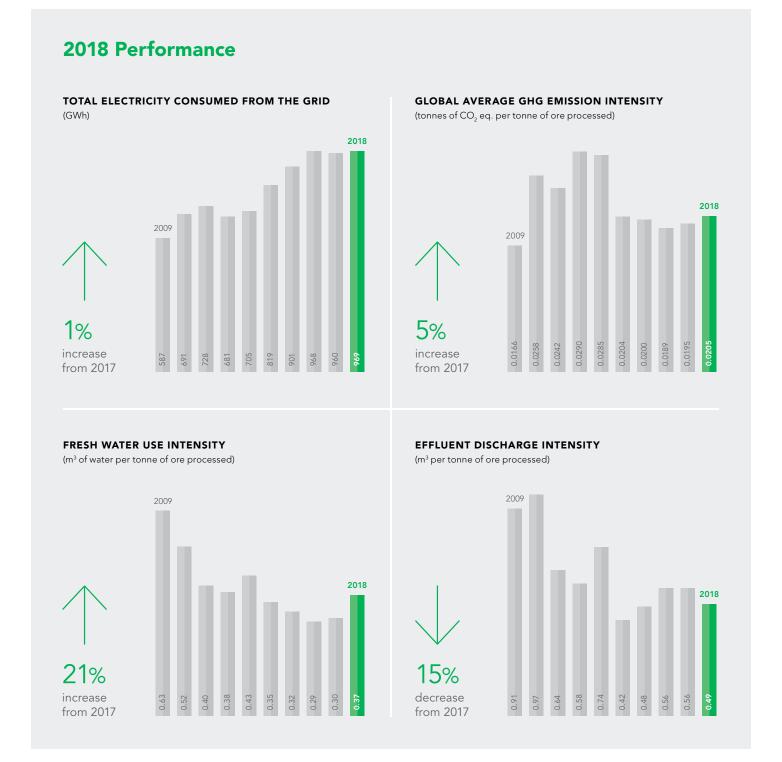
of water released to the environment from all our mining operations compared to 11.9 Mm³ in 2017

Our Environmental Commitment

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

- minimize all risks associated with managing tailings and water;
- minimize the generation of waste and ensure its proper disposal;
- manage 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 consider the effects of climate change;
- integrate biodiversity conservation and land use planning considerations through all stages of business and production activities; and,
- rehabilitate sites to ensure long-term physical and chemical stability and in consultation with nearby communities in a timely manner.







Meeting our stewardship obligations for shared water resources

Protecting the quality of water we share with local communities is a key aspect of our water stewardship efforts.

Our new Meliadine project sits beneath the permanently frozen tundra of Canada's sub-Arctic territory of Nunavut. This presents some unique challenges because mining will take place under this permafrost, and the groundwater that flows beneath it is naturally very salty – in fact, it is ancient sea water that has been trapped under the permafrost for millennia.

In 2018, the environmental team at Meliadine developed a long-term saline water management plan to ensure that any water that is pumped to surface from underground, to keep the working areas dry, and then discharged into Melvin Bay, is properly treated and meets all water quality requirements.

Melvin Bay is a salt water environment which is part of Hudson Bay and flows into the Arctic Ocean. The Canadian federal Metal Mining Effluent Regulations (MMER) required that the discharge be non-toxic to fish but only stipulated the test on freshwater fish. We needed to show non-toxicity to marine water fish, which necessitated a change in the Canadian federal MMER to allow a test on a marine water fish. With the new Metal and Diamond Mining Effluent Regulation that included this new test, the Meliadine mine can proceed to discharge the treated water to Hudson Bay.

Meliadine has now completed the construction of its saline water treatment plant, which is designed to remove or reduce the salt concentration in water pumped from underground. The mine is currently building additional storage capacity, in the event that more groundwater is encountered than anticipated.

"Water stewardship for Agnico Eagle focuses on reducing the ecological effects from our effluent discharges into any receiving waterbodies," says Nancy Duquet-Harvey, Environmental Superintendent – Nunavut. "This plan helps us meet our stewardship obligations and was developed in collaboration with community stakeholders following extensive consultation sessions."





New advisory panel shares Inuit traditional knowledge to protect caribou

Caribou hold great cultural significance for the Inuit. For centuries they have relied on caribou for their survival – using its meat for sustenance, its fur-hide for shelter and clothing, and its antlers and hooves to make tools and canoe-kayak frames. Cultural traditions such as hunting are passed down generation to generation, ensuring the animals are treated with respect by taking only what is needed and wasting nothing. To this day, caribou meat is an important part of the Inuit diet somewhat mitigating the high cost of food in Nunavut.

Protecting these magnificent animals is therefore a high priority for our team in Nunavut, who monitor regular crossings of caribou herds across our sites. In 2018, we partnered with local Inuit to develop a common strategy to protect these caribou.

We are grateful that Inuit hunters, trappers and elders have agreed to share their traditional knowledge (IQ) and to be part of a new Terrestrial Advisory Group (TAG) with biologists, operators and government representatives at the Meadowbank mine. They provide advice to inform Agnico Eagle's environmental monitoring, mitigation and management of the terrestrial environment impacted by our Nunavut mining activities.

The TAG was officially established in 2018 and consists of members from Agnico Eagle, the Government of Nunavut, Kivalliq Inuit Association and the Hunting and Trappers Organization of Baker Lake. Through knowledge sharing and collaboration, TAG

members use Meadowbank's "Terrestrial Ecosystem Monitoring Plan" to monitor land use issues, such as habitat loss and caribou interactions with our Nunavut operations.

"Often, consultation with industry and government is in a formal hearing setting or is conducted separately from community engagement activities. TAG removes these barriers and provides a real model of collaboration where everyone works together to leverage monitoring data, government agency input and the experiences of traditional land users to inform current and future caribou protection measures," says Ryan Vanengen, Nunavut Permitting Lead.

In addition to TAG, Meadowbank Mine will continue to host workshops that incorporate IQ into its project plans and environmental impact assessment studies as a way to address the main concerns of local stakeholders throughout the life of the mine.

According to Ryan, the key to Agnico Eagle's successful cohabitation with Nunavut's caribou is ongoing monitoring and communication. "We must continue to closely observe and mitigate the impact of our activities around the mine site. And, with the TAG's input, we must collaboratively make evidence-based decisions for caribou protection."



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



UN SDG 2: Zero Hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Agnico Eagle operates in some regions of the world where poverty and food security issues threaten the health of children and their family. For example, in Nunavut, the cost of food is high and caribou is an important source of protein for the Inuit. Our caribou protection initiatives contribute to the sustainability of this food source.



UN SDG 6: Clean Water and Sanitation

Ensure availability and sustainable management of water and sanitation for all

Agnico Eagle's water management program is based on three key elements: maintaining water quality in the receiving environment, collaborating with our communities of interest to ensure the fair allocation of water and using water efficiently.



UN SDG 13: Climate Action

Take urgent action to combat climate change and its impacts

We are taking action to reduce greenhouse gas emissions by improving our overall energy efficiency and by implementing low carbon technologies.



UN SDG 14: Life Below Water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Agnico Eagle recognizes the critical importance of protecting our marine environment. We have partnered with various institutions and communities to support initiatives to improve research and conservation connected with ocean and marine resources.

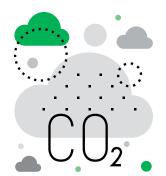


UN SDG 15: Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems

The preservation of biodiversity is a key component of Agnico Eagle's sustainable development strategy. Under the Biodiversity Preservation protocol of the Toward Sustainable Mining (TSM) initiative, each of our mines is tasked with finding a way to contribute to the preservation of the biodiversity and to leave as small an ecological footprint as possible.





Our average GHG emission intensity (tonnes of CO_2 equivalent per tonne of ore processed) for all of our operating mines increased by 5% from 0.019 in 2017 to 0.021 in 2018. In 2019, we will continue working on initiatives to help reduce GHG emissions from our operations.

Kittila Mine heat recycling program boosts energy savings, reduces carbon footprint

Since 2014, Kittila Mine has been successfully recycling the waste heat it recovers from its plants and processes to help reduce the mine's overall energy needs and costs. Not only have these actions delivered savings to its bottom line, they have progressively reduced the mining complex's carbon footprint.

Even though Kittila's production has increased by 10 %, its total GHG emission intensity (tonnes of $\rm CO_2$ equivalent per tonne of ore processed) decreased by 2% over the past four years, going from 0.014 in 2014 to 0.013 in 2018. During the same period, Kittila's energy savings and conservation efforts have continued to pay off

How is Kittila Mine achieving such results? First, the mine uses recycled waste heat recovered from its oxygen plant to help heat parts of the underground mine. This year, after installing new heat exchangers, Kittila is also recycling heat recovered from its autoclave scrubber in the processing plant to heat buildings around the mine site, as well as the underground mine.

In 2015, the site automated its mine ventilation system to help reduce the amount of liquid propane gas it uses to heat the mine, as well as the amount of electricity it uses for underground heating and ventilation.

In 2018, with improved availability of the autoclave scrubbers, Kittila Mine was able to recycle even more heat throughout its processing systems, improving heat recovery and saving additional costs.



17 GWh in heat savings

"These results encourage us to find even more ways of using waste heat to reduce energy demand," says Kari Siirtola, Kittila's Maintenance Superintendent. "We are in the process of developing a new energy strategy and already, we have a number of energy and heat recycling projects in the pipeline designed to deliver more savings in the future."

Kari adds, "We encourage everybody to pitch in with ideas on how we can reduce energy consumption. For example, an employee at the water sulfate treatment plant suggested that it was not necessary to heat the thickeners at the plant and it would not affect its performance. This alone could result in an annual saving of 1,000 MWh."



Kittila mine's heat recovery helps reduce its energy needs and costs.





2009 — 2018

Agnico Eagle over the years

2009



Agnico Eagle starts work to assess its performance under the four TSM (Toward Sustainable Mining) elements.

2011



Agnico Eagle signs the International Cyanide Management Code.

2012



Agnico Eagle develops a new Sustainable Development Policy which integrates people, health, safety, and environmental and social responsibility commitments.

2015



Our Mexican operations conducts extensive reforestation work in the La Haciendita and La Mesa neighbourhoods, near the Creston Mascota site, following a major forest fire during the last dry season. Over 6,500 trees are planted to date to help the region recover from this devastating forest fire.

People

FOSTERING DIVERSITY, CHOOSING CIVILITY



Agnico Eagle's people and culture have always been our competitive strength and advantage. It is critical to our current and future success that we maintain our culture where every person is treated with dignity and respect, and people interact on the basis of collaboration, commitment and dedication to excellence.

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 operations is located.

In Agnico Eagle Mexico, 100% of the workforce is from Mexico, with the majority living in the northern states of Mexico, Chihuahua, Sonora, and Sinaloa. Many of the people are from local communities within 10 kilometres of the operations: 58% at Pinos Altos and 46% at La India.

Our Kittila operation in northern Finland is essentially 100% Finn operated. Approximately 98% of Kittila mine employees live in Finnish Lapland.

In northern Canada, we remain focused on creating sustainable jobs and careers in mining for the Inuit population with an overall objective of obtaining 50% Inuit employees for all of our Nunavut operations. We have developed extensive Work and Site Readiness programs that are designed to prepare candidates from the Kivalliq region for work with Agnico Eagle. In 2018, our Nunavut operations employed 398 Inuit.



Diversity

Our 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. Women represent 30% of all directors of the Board of Directors and women chair 50% of the Board of Director's Committees.

In December, Agnico Eagle implemented a Diversity and Inclusion Policy, which outlines the principles to promote diversity and inclusion across all aspects of our business.

We continue to identify and work to mitigate systemic barriers to the participation and advancement of women in the mining industry in Canada, notably with a focus at our Northern Operations on eliminating barriers that impact Inuit women at our sites in Nunavut. In addition, we are enabling increased diversity and inclusion in the North by building civility skills to further enhance respect and trust in the workplace.

In 2018, women represented approximately 16% of Agnico Eagle's global workforce and 13% of Agnico Eagle's corporate executives. As we plan for the future, we will continue to advance our efforts to include gender diverse candidates in our succession planning and recruitment initiatives.

Employee Training

We ensure our employees have the tools and skills they need to perform their jobs efficiently and safely and to achieve their full potential. 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. We continue to provide training that enhances employees' personal and career development opportunities through our 'People Development' process. In 2018, we provided more than 218,000 hours of training to our employees and contractors for an average of 25 hours per total employees and contractors.

During the year, we continued to raise the level of business acumen of our next generation of leaders, with a three-day business acumen training course. We also delivered a 4-module leadership training course to improve the leadership and supervisory skills of our frontline supervisors.

Through fully-customized learning content and a highly interactive and social experience, the three-day business acumen session was designed to help our managers better understand our key business drivers, financial statements, business strategy and how their actions and decisions can impact the company's performance. By the end of 2018, more than 150 Agnico Eagle leaders had completed the program, which is being expanded and adjusted to other levels.

In 2018, we expanded the Frontline Supervisors Leadership Development Program to the Goldex and Pinos Altos operations, while continuing the program at the LaRonde mine. We are currently assessing needs and planning for further roll-outs at La India, Support and Development Center (CSD) and at our Nunavut operations in 2019, as well as developing a program for the Corporate Office for delivery in 2020. The Supervisor Development Program has been an impressive achievement to develop our supervisors as ambassadors of Agnico Eagle's strategy and culture.



2018 KEY HIGHLIGHTS



100%

of our workforce from Pinos Altos and La India Mines are from Mexico

16%

of our employees are women

398

employees at our Nunavut operations are Inuit

8,698

employees and contractors worked for Agnico Eagle worldwide at the end of 2018

19th

out of 75 companies for Agnico Eagle Mexico in Great Place to Work's *Best Workplaces in Mexico* in the 500 to 5000 employees category

Our Commitment to Employees

We aim to maintain a safe, diverse and healthy workplace that is based on mutual respect, fairness and integrity. To achieve this, we:

- ensure that no discriminatory conduct is tolerated in the workplace;
- provide a fair and nondiscriminatory employee grievance system;
- value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias;
- employ and promote employees on the basis of merit;
- provide fair and competitive compensation;
- enforce a drug and alcohol-free workplace;
- maintain the confidentiality of collected personal and private information about employees;
- recognize the right of employees to freedom of association;
- provide appropriate training and development opportunities; and
- consult, communicate and provide appropriate support to employees during their association with Agnico Eagle.



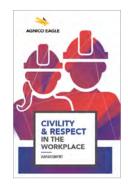
Choosing civility and respect in the workplace

Civility and respect are at the core of a trusting, engaged and well-functioning workplace. This is particularly important for our remote Nunavut operations, where employees live and work together.

In an ongoing effort to provide their employees with a healthy and safe place to work, Nunavut's Human Resources and Communication teams developed a training and awareness campaign focused on the importance of civility and respect in the workplace.

The initiative began with a four-hour training session for employees, at every level of the organization, to bring awareness to non-civil or poor behaviours – such as bullying, harassment and discrimination – and how to recognize and respond to them.

In order to reinforce the message, the training was supplemented by an awareness campaign. The campaign featured posters, flyers, brochures, videos and 6-foot tall cardboard cut-outs – known as Mr. & Mrs. Civility – who would pop up around the site when a new phase of the campaign was about to be unveiled.

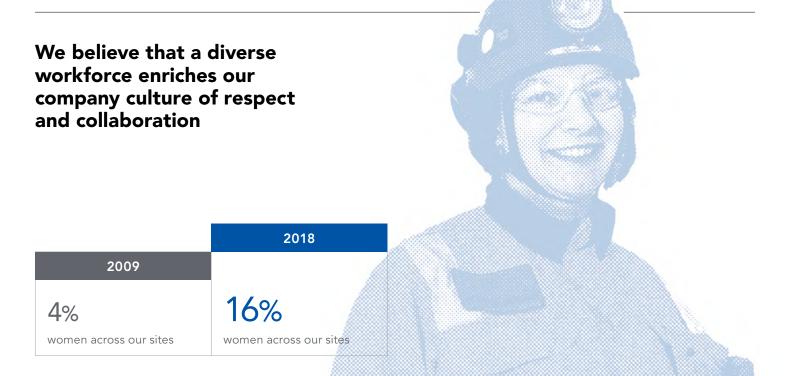


Mr. & Mrs. Civility

The three-phase campaign was rolled out over 18 months at Meadowbank, covering issues specifically related to harassment, bullying and discrimination.

The results to date have been very positive. Carol Lemieux, Senior Communications Specialist, says, "Employees have been very receptive to the choice we are asking them to make – the choice for civility and respect. They are also more comfortable in challenging any poor behaviours they observe."

She adds that the **Civility and Respect in the Workplace** initiative is being introduced at the new
Meliadine mine, with training of the senior management
team now underway.







Agnico Eagle over the years

2011



Agnico Eagle conducts its first global employee engagement survey.

2014



Up Here Business Magazine names Meadowbank mine as one of the Top Northern Employers.

2016



Agnico Eagle develops Guiding Principles to reinforce management approach and cultural identity. They are a clear, well-defined set of principles that have contributed to Agnico Eagle's success for over 60 years.

2017



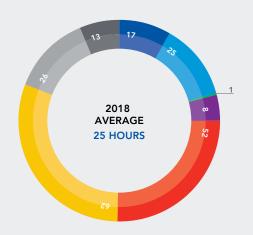
Pinos Altos mine in Mexico achieves 100% local workforce representation.



2018 Performance



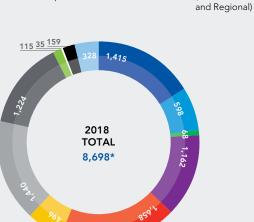




*Including permanent, temporary and on-call employees, students and contractors.

TOTAL WORKFORCE BY REGION 2018





*Total workforce including permanent, temporary and on-call employees, students and contractors.

2018 WORKFORCE HIRED FROM THE LOCAL COMMUNITY*



	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	La India	Meadowbank	Meliadine	Exploration
2012	100%	100%	100%	92%	65%	-	32%	-	_
2013	100%	100%	100%	93%	67%	_	27%	-	_
2014	100%	100%	100%	93%	74%	66%	34%	-	_
2015	100%	82%	100%	93%	74%	55%	35%	-	100%
2016	100%	99%	100%	93%	75%	45%	36%	32%	100%
2017	100%	98%	100%	91%	76%	46%	37%	11%	100%
2018	100%	100%	100%	98%	58%	46%	38%	14%	100%

*Number of local employees / Total number of Agnico Eagle employees.

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UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



UN SDG 4: Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

We operate mines in some fairly remote regions of the world where access to education is limited. We support and partner with existing educational institutions to expand that access and we promote the education of our workforce as pathway to a better life for our employees and their children. We believe that by investing in education, we can be an agent of change and an accelerator of development for our neighbouring communities.



UN SDG 5: Gender Equality

Achieve gender equality and empower all women and girls

Agnico Eagle is a strong supporter of diversity within our workforce and throughout society. We implement programs to promote gender equality, including efforts to recruit and retain female employees, and we support training and education opportunities focused on women in the areas where we operate.



UN SDG 10: Reduced Inequalities

Reduce inequality within and among countries

At Agnico Eagle, we strive to ensure that our presence in a region or a country enhances the quality of life in all the communities that surround our projects. Within our workforce, we promote an environment that ensures equality, inclusion and empowerment for all employees. Within our host communities, we ensure our presence benefits all stakeholders and promotes equality through the application of our Sustainable Development policy and our Code of Ethics.





Fostering a more diverse and inclusive workforce

While the global mining workforce is still heavily dominated by men⁴, Agnico Eagle is working to change that reality.

Our goal is to foster a more diverse and inclusive workplace for women and for people of different backgrounds – one that reflects the communities in which we operate.

That means diversifying our outreach, training, and mentorship programs – all in an effort to attract, retain and develop one of the most highly skilled workforces in the mining business.

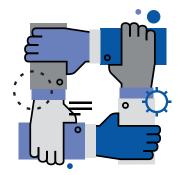
In 2018, Agnico Eagle became a founding sponsor of the International Women in Resources Mentorship Program, which connects influential senior female leaders from around the world with mentees in a variety of occupations such as mining engineering, metallurgy, and exploration and geology. The inaugural group of 42 women included Veronique Tremblay, a metallurgist at our LaRonde Complex, who participated in the 6-month program. Her mentor was Marnie Finlayson, Head of Global Footprint at Rio Tinto in Perth, Australia.

"I think everyone can benefit from a mentor who is there to help you and give you good advice. But the fact that this program is specifically for women is great too as I don't have many women to speak with in my working environment – I work with fantastic people but I still work in a predominantly male industry. My conversations with Marnie focus on my career goals; improving my self-confidence, my leadership skills, and learning to speak up and share my opinions and thoughts on projects and our operations."

Also on the international stage, Agnico Eagle sponsored the first all-female mine rescue team – including two of our own colleagues – to compete at the International Mine Rescue Competition held this past September in Russia.

Known as Diamonds in the Rough, the all-Canadian team included Fanny Laporte, an Environmental Technician at Meadowbank Mine and team Vice-Captain and firefighter, and Janie Blanchette, Advisor, Health, Safety and Emergency Measures at Goldex Mine





We encourage everyone in our workforce to contribute to their full potential and we want them to have equal access to opportunities and recognition. We fully embrace diversity and inclusion - it's critical to our future success and growth plans.

and the team's official medic. The team competed in seven categories including an underground scenario, firefighting, first aid, written exam and the mine rescue relay race.

Janie observes, "It was exciting to be competing at this level and to celebrate all that women can achieve. In fact, many of our competitors told us we were an inspiration and that they were going home to encourage their daughters to consider a job in mining. I think that is why we got a standing ovation. They wanted to say diversity is welcome in the global mining industry'."

Janie Blanchette and Fanny Laporte, respectively from Goldex and Meadowbank, represented Agnico Eagle on the first company-sponsored all-female mine rescue team at the International Mine Rescue Competition.

Closer to home, at our Meliadine mine project and Meadowbank, we are encouraging women to pursue training opportunities that will position them to compete for roles operating major equipment and mining processes. At Meliadine Project, Angela Misheralak and Gloria Kaludjak became the first Inuit women to complete their training on the 11-yard scoop and on the 50-ton haul truck, respectively. They are now applying their newly acquired skills to operate this equipment. At Meadowbank Mine, Natasha Nagyougalik, a single mother with drive and ambition, became the first woman qualified to operate the CAT 6030 front shovel, one of our largest pieces of mining equipment.

Louise Grondin, SVP, Environment, Sustainable Development and People at Agnico Eagle says, "We encourage everyone in our workforce to contribute to their full potential and we want them to have equal access to opportunities and recognition. We fully embrace diversity and inclusion – it's critical to our future success and growth plans."

4. According to the Mining Industry Human Resource Council, in 2016 women accounted for 16% of mining employment compared with 48% for all industries.



Growing Agnico Eagle's Inuit workforce

As Agnico Eagle brings two new mines in Nunavut into production, the human resources team has been busy recruiting Inuit into the workforce and ensuring they have the proper training and skills to advance their job prospects.

Agnico Eagle worked in partnership with Nunavut Arctic College and the Centre de formation professionelle of Val-d'Or to develop a customized training program for the underground mining industry. The College had not previously provided any local specific mine training programs in the Kivalliq region.

With Agnico Eagle determined to increase its local workforce, a pilot program – An Introduction to Underground Mining – was conducted to provide classroom training, learning modules and trainers, and hands-on underground training.

To graduate, students had to complete a program of approximately 450 hours (12 weeks), which included in-class study and practical underground training. Classes began in September and ended in mid-December, with students hailing from the Kivalliq communities of Arviat, Baker Lake, Coral Harbour, Naujaat and Rankin Inlet helping pilot the program. Those who graduated received a Certificate of Completion, which will make them eligible for potential opportunities to work underground at an Agnico Eagle mine site.

Luke Mamgark worked at Meliadine as a janitor in the first half of 2018 and heard about the pilot program opportunity. "I wanted to try to carve a new path, try something different and I have been enjoying the program and learning a lot. I hope to eventually drive a haul truck or a boom truck, a heavy piece of equipment. I would definitely encourage others to take this program, I think they would benefit from it like I have."

Marie-Josée Joyal, Project Counsellor, says, "Agnico Eagle identified the local employment increase as a near future roadblock to our growth since no specific underground training is available in Nunavut. We are really pleased that the program started with eight students and all eight remained. They were very determined to complete this important program, because it will help them pursue job opportunities with Agnico Eagle in Nunavut in the future."



Ashton Kadjuk is Agnico Eagle's first Inuk underground supervisor at our Meliadine project.

Communities

STRENGTHENING OUR TIES, DEEPENING OUR ENGAGEMENT



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 experience.

We want our stakeholders to understand our activities and priorities, but we also want to know their concerns so that we can work together toward a common goal of social acceptability.

Social acceptability is an integral part of our success. As early as possible in the project development phase, we engage and partner with stakeholders to assess the levels of social acceptability and potential impacts of the project within the host community. Our exploration teams always assign a person with responsibility for community relations, regardless of the size of the project. This allows us to mitigate potential negative impacts, and discover opportunities for collaboration, avoiding potential conflict and building community relationships on a foundation of trust and transparency.

Community Engagement

In 2018, we continued to improve the integration of community relations and stakeholder engagement into our RMMS, ensuring our sustainability program remains focused on stakeholder priorities. We also updated the assessment of our social risks.

We have begun collecting data on our recently selected social key performance indicators (social KPIs) (local economic development, diversity and inclusion, complaints and grievances, engagement and voluntary community investments). We have continued to implement the Borealis Software to monitor our interactions with our communities and other stakeholders, and to update and improve the stakeholder mapping of our different operations.

During the year, our sites managed community response mechanisms and proactively engaged with surrounding communities to gain community understanding and ensure transparent communications. At Goldex Mine, we continued working with the Community Monitoring Committee, which was created in 2017, as well as with the newly created committee specific to the Akasaba West project to improve communications and address concerns related to the project's activities. In addition, we have implemented the concept of "Café citoyen" which allows us to regularly meet our neighbours in an atmosphere of transparency and openness.

At LaRonde Mine, increasing transparency, awareness and understanding of our mining activities through information sessions and site visits was a key focus during the year. We also provided



support to the Kirkland Lake project team as they engaged with local communities on our exploration and development activities in the area. At Creston Mascota Mine, a demographic assessment of the Yepachic community was conducted to identify and understand its socio-cultural and economic characteristics. An action plan will be developed in 2019 to identify and prioritize initiatives to help support community development.

In order to enhance our community engagement efforts, we have now developed community-based regional websites in all areas where we have mine operations.

Indigenous Relations

In 2018, we established a dedicated Indigenous Relations team to strengthen our ties and increasingly engage with Indigenous communities in Quebec and Ontario. A key highlight was developing a corporate strategy to contribute to Canada's reconciliation process⁵, which we are now in the process of implementing. In 2018, a key element of this strategy was to provide training to our management and staff to raise their knowledge and understanding of the history of Indigenous people in Canada. This training touched on History and Legacy of Residential Schools, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), Treaties and Aboriginal Rights, Indigenous Law, and Aboriginal—Crown Relations.

The team advanced a number of other priority initiatives during the year, including:

- Signing an exploration agreement with Timiskaming First Nations in April 2018 for the Kirkland Lake project. The agreement was the last of three agreements signed to ensure Agnico Eagle's social support for the First Nations while exploring the traditional land where the project is located in Northeastern Ontario.
- Managing three exploration agreements with four First Nations, as part of the acquisition of the remaining 50% of the Kirkland Lake properties from the Canadian Malartic Partnership.
- Managing a Resources-sharing Agreement with eight First
 Nations and a Shared Interest Agreement with the Métis Nation
 of Ontario, as part of Agnico Eagle's acquisition of the remaining
 50% of the Hammond Reef project.



- Supporting LaRonde mine in its discussions with the Abitibiwinni First Nation.
- Leading discussions with Lac Simon and Kitcisakik Algonquines First Nations regarding the Akasaba project near our Goldex property.
- Updating Agnico Eagle's Indigenous Peoples Engagement Policy to include our support for the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

Tracking Community Issues

We are committed to improving our social acceptability performance. Our community relations efforts focus on eliciting community feedback on current or proposed activities and on identifying and resolving issues. These issues are identified through phone calls, email, individual meetings, public or community liaison meetings, community specific hotlines or our whistleblower hotline, or through our social media channels and websites, and then logged in our Borealis database for monitoring and reporting purposes. This provides our operations with reliable information and metrics they can use as a foundation to maintain constructive relationships with local stakeholders over the lifetime of a project.

In 2018, 28 complaints were recorded for all our mining sites and 26 (90%) of the complaints were resolved by the end of the year. The Company also received one call during the year through the Whistleblower line which was addressed promptly by the company.

Community Investments

In 2018, our community investment program continued to target initiatives that enable each of the communities where we operate 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 return on our investments in strategic health, education and capacity-building initiatives. Since 2009, Agnico Eagle's community investments have totalled close to \$40 million.

In 2018 alone, Agnico Eagle contributed over \$5.7 million to various organizations and events. The funding breakdown of these contributions is: 34% toward health initiatives, 25% toward educational initiatives and 19% toward economic development.

	2018
2009	
\$1.1M	\$5.7M
Donations and community investments	Donations and community investments

^{5.} The Truth and Reconciliation Commission of Canada (TRC) published its **Call to Action Report** in 2015. The report made 94 recommendations in the areas of child welfare, youth, sports, education, language and culture, health and justice to redress the legacy of residential schools and to advance the process of Canadian reconciliation.

Agnico Eagle Mines Limited 2018 Sustainable Development Report 40



2018 KEY HIGHLIGHTS



\$5.7M

in contributions to various organizations and events

\$40M

total contributed in community investments since 2009

370 tons

of hazardous materials cleaned up at the Baker Lake landfill

23,000

plastic bottles were collected during our campaign Beating Plastic Pollution at Pinos Altos Mine

3

major infrastructure projects were funded in the Abitibi region to improve community and health services

Our Community Commitment

We aim to contribute to the social and economic development of sustainable communities associated with our operations. To achieve this, we:

- provide a confidential complaint reporting mechanism to report unethical, illegal or irresponsible behaviour;
- ensure that no child labour and any form of forced and compulsory labour are permitted in the workplace;
- foster an open, transparent and respectful dialogue with all communities of interest and ensure that activities on private lands and indigenous lands are performed with the free prior informed consent of the land owners;
- support local communities and their sustainability through measures such as development programs, locally sourcing of goods and services and employing local people; and
- provide assurance that our operations will not support, benefit or contribute to unlawful armed conflict, serious human rights abuses, or breaches of international humanitarian law.



Community Investment EDUCATION FUNDING HEALTH \$1.9M **ECONOMIC FUNDING** % PROMOTION AND SPONSORSHIP CULTURE \$359k \$455k PROFESSIONAL SPONSORSHIP SPORTS \$263k





2009 — 2018

Agnico Eagle over the years

2010



Meadowbank implements Inuit Business Opportunities Initiative (IBOI) to help regional businesses take advantage of opportunities created by our mining and exploration activities in the region.

2013



Corporate Knights, a leading media, research and financial information company, names Agnico Eagle one of the Best 50 Corporate Citizens in Canada for the third year in a row.

2014



Agnico Eagle spearheads 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 – totalling \$3.28 million in value – were donated by Agnico Eagle, Barrick, Goldcorp, IAMGOLD, Kinross, New Gold, Primero, Silver Wheaton and Yamana Gold.

2017



Agnico Eagle Nunavut renews Meadowbank Inuit Impact and Benefit Agreement (IIBA), updates the Meliadine IIBA and signs a new IIBA for the Whale Tail project with the Kivalliq Inuit Association (KIA).



A culture of family, caring and community well-being

One of Agnico Eagle's core values is family which extends to the way we treat the people and communities that surround our sites.

We believe in taking care of one another, especially those who need our help the most the young and the most vulnerable people in society. In 2018, some of our frontline community relations initiatives included:



Dental Health Care Day, which Pinos Altos Mine hosted in collaboration with teachers and students from the Faculty of Dentistry at the University of Chihuahua. The event provided much-needed dentistry services, free of charge, to 170 children and elderly people. Congratulations to the Pinos Altos team for bringing a smile to the faces of people in their communities.



Children's Day Festival, hosted by the Community Relations team at Pinos Altos, benefiting the communities that surround the mine site and attended by over 1,000 local children and adults.



Summer camps, organized by La India Mine to help 120 children from Tarachi, Matarachi and El Trigo stay engaged in their community and enjoy painting, art and sports activities during their summer vacations.



Mine tours at Kittila Mine, which hosted a day-care group from the local village of Sirkka and a pre-school group from Kittila. Our 4- to 7-year old guests were introduced to the world of underground mining learning all about the importance of health, safety and protecting the environment.



Kivalliq Science Camp, which introduced Inuit youth to the wonders of science and environmental education. Agnico Eagle is an annual sponsor of this event which exposes high school students to science exploration, mining, geology, and sustainable development, along with cultural activities taught by Inuit elders who emphasize Inuit societal values.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



UN SDG 4: Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

We operate mines in some fairly remote regions of the world where access to education is limited. We support and partner with existing educational institutions to expand that access and we promote the education of our workforce as a pathway to a better life for our employees and their children. We believe that by investing in education, we can be an agent of change and an accelerator of development for our neighbouring communities.



UN SDG 10: Reduced Inequalities

Reduce inequality within and among countries

At Agnico Eagle, we strive to ensure that our presence in a region or a country enhances the quality of life in all the communities that surround our projects. Within our workforce, we promote an environment that ensures equality, inclusion and empowerment for all employees. Within our host communities, we ensure our presence benefits all stakeholders and promotes equality through the application of our Sustainable Development policy and our Code of Ethics.



UN SDG 11: Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable

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



UN SDG 12: Responsible Consumption and Production

Ensure sustainable consumption and production patterns

We work to minimize our use of water, land and chemicals, and to recycle and reuse our waste materials.





Partnering with communities for environmental protection

At home and at work, we are increasingly aware of all the waste and plastic pollution we generate in a day.

In order to raise awareness and reduce the amount of waste that ends up in landfill, Agnico Eagle works closely with local communities to alleviate the problem through various waste management, recycling and disposal initiatives.

Our Pinos Altos-Creston Mascota environmental team spearheaded a number of initiatives to reduce the amount of plastic used at their mine sites and surrounding communities, including an ECO-HOME awareness campaign in Bateria de Rodriguez. The campaign highlighted how much plastic is generated on a daily basis by the community, how each home can reduce that amount, and outlined Pinos Altos Mine's weekly program to collect plastic materials and deliver them to a local company for proper processing and recycling.

Paola Cazares, Health Safety and Environment Manager, comments, "Our team helped collect nearly 23,000 plastic bottles during 2018, including over 10,000 bottles around our mine site. I think we made a real difference in helping to change community attitudes about

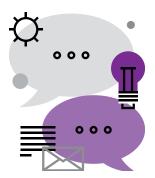
the impact of plastic pollution on our planet. It made all of us more aware about the need to act differently in order reduce the amount of plastic we use in our daily work and home lives."

A world away, the community of Baker Lake in Nunavut faced many of the same waste problems.

With limited space to dispose of old tires, broken appliances, empty oil drums and other hazardous waste materials, the community landfill site was becoming more and more contaminated. They asked Meadowbank mine, their neighbour, to help conduct a landfill cleanup in July.

Together, they eventually filled up 53 marine containers (seacans) with waste, including 37 containers holding over 370 tonnes of hazardous waste. The seacans were loaded onto a barge at Baker Lake and shipped south to the Port of Bécancour, Quebec. From there, the containers were transported to an authorized recycling and treatment centre - for eventual recycling or use as back-up fuel to generate electricity in thermal power plants.





Over the past 10 years, our community relations programs have grown to meet the evolving needs and expectations of our stakeholders.

Frank Tootoo, Chair of the Baker Lake Lands Committee, says, "Cleaning up the landfill is important to us for many reasons, mainly because our eco-system is so fragile. We want to reduce our environmental impact even more through reuse and recycling and Agnico Eagle has advanced our knowledge in this area, sharing how they are reducing their own footprint."

Steven Tremblay, General Supervisor of the Energy and Infrastructure Department at Meadowbank Mine, adds, "Many of our employees live in Baker Lake, so the community is not only our neighbour but a member of our family. And, if cleaning up the landfill site is important to them, it's important to us. We understand that this work is vital to protecting the fragile environment we all live in."



Nearly 23,000 plastic bottles were collected with the help of the Pinos Altos and Creston Mascota team in 2018 through different initiatives aimed at reducing plastic pollution at their mine sites and surrounding communities.

BY THE NUMBERS

The Baker Lake cleanup team prepared and shipped:

37

20-foot long marine containers holding hazardous waste including 1,545 205-litre metal drums loaded onto the barge and consisting mainly of: used diesel, used jet fuel, used gasoline, used oil, oily water or hydrocarbons contaminated water, automotive lead batteries, used glycol or anti-freeze, empty propane tanks with residue, used paint

8

20-foot long marine containers with used tires

8

20-foot long marine containers holding scrap metal



Building enduring relationships with our host communities

Over the past 10 years, our community relations program has grown to meet the evolving needs and expectations of our stakeholders.

Rather than simply reacting to community feedback or complaints, our community relations teams are regularly and proactively reaching out to community stakeholders. The goal is to gain community understanding and acceptance for our mining activities and projects, and to assess and mitigate any potential risks to our business.

By the very nature of our business, the most frequent issues raised by the communities that surround our operations are concerns about noise, seismicity, dust and vibrations originating from our sites.

Both our Goldex and LaRonde operations held multiple meetings with their neighbouring communities to discuss their concerns related to our mining activities and our plans to address these issues. At Goldex Mine, for example, the team outlined plans to build a monitoring station that is expected to improve our understanding of long-term impacts of vibrations coming from the daily blasting at the site.

Feedback from community stakeholders has been generally positive, with many expressing appreciation for LaRonde and Goldex Mines willingness to work in partnership with them to seek solutions and address their concerns.

Melanie Corriveau, Community Relations Coordinator at the LaRonde mine, says this proactive approach signifies, "Social acceptance is now an integral part of Agnico Eagle's success. As early as possible, we engage and partner with stakeholders to assess and address any impacts or concerns. This not only helps us avoid potential conflict, it helps us discover opportunities for collaboration, and build community relationships on a foundation of trust and transparency."

This work, along with our new Social KPIs and community relations tracking software, is critical to providing Agnico Eagle with a foundation to maintain constructive relationships with local stakeholders over the lifetime of a project or mine.



Neighbours of surrounding communities can learn more about our mining operations, projects and challenges and share their concerns through information sessions and site visits. Here, citizens from Preissac and Cadillac visit the LaRonde Complex.

Economic Value

FULFILLING OUR COMMITMENTS, MEETING OUR OBLIGATIONS



We believe the biggest contribution we can make to the well-being of the communities in which we operate is through the creation of long-term employment opportunities and the provision of economic development possibilities supported by local procurement and public revenues. Responsibly undertaken, gold mining plays an important and positive role in supporting sustainable socio-economic development in communities and countries around the world. Agnico Eagle is the largest gold producer in Canada and one of the largest in the world. In business for more than 60 years, we have built a strong culture of responsible behaviour and have generated significant economic benefits to the communities and countries where we operate.

We will continue to strive at achieving high standards of sustainability performance and proudly contributing to the prosperity of our people, their families and communities, with a long-term goal of distinguishing ourselves as responsible and desired miners.

Economic Value

In 2018, Agnico Eagle provided \$428 million in wages and benefits to our global workforce and paid \$284 million in taxes, royalties and fees to all levels of government (including Indigenous groups). We produced 1,626,669 million ounces of gold.⁶

6. Including 50% owned Canadian Malartic.



Generating Employment and Economic Benefits

In 2018, through the payment of wages and benefits, Agnico Eagle contributed approximately \$340 million to the economy of Canada, \$40 million to the economy of Finland, and approximately \$47 million to the economy of the 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.

Taxes and Royalty Payments

In 2018, we made payments in taxes, royalties and fees to governments at all levels (including Indigenous groups) totalling \$284 million.

We contributed approximately \$107 million in taxes and royalties to Quebec, Canada (since 2010, we have paid a total of \$211 million in royalties to Quebec); \$55 million in taxes, royalties, fees and compensation payments in Nunavut, Canada (both to government and to Inuit organizations representing Inuit beneficiaries under the Nunavut Land Claim Agreement); \$20 million in taxes and royalties to Finland; approximately \$69 million in taxes and royalties to Mexico; and, \$33 million in taxes to Ontario.

Buying Locally

Agnico Eagle strives, where feasible, to buy from locally based suppliers as a way of supporting the economic vitality of our communities while at the same time 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 2018, our mines spent \$920 million on the procurement of local goods and services. This represents 63% of all procurement spending in 2018.



2009
\$27M
\$284M
Payments to governments
Payments to governments



2018 KEY HIGHLIGHTS



\$1.47B

in payments to suppliers

\$284M

in taxes and others payments to governments

\$2.18B

in economic contributions

\$428M

paid to employees in wages and benefits

Our Economic Values

Our strategy is to build a growing, high-quality, low-risk, sustainable business. To achieve this, we:

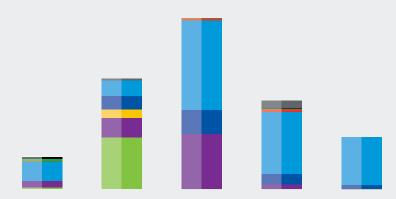
- deliver on performance and growth expectations by ensuring our existing portfolio lower operational risk and generates free cash flow;
- build and maintain a high-quality project pipeline by ensuring we develop a best-in-class project pipeline to replenish mineral reserves and production, while maintaining the quality, manageability and fit of our future portfolio;
- develop our people by providing growth opportunities and providing the skills infrastructure to support development of our operations and projects; and,
- operate in a socially responsible manner by creating value for our shareholders as we contribute to the prosperity of our people, their families and the communities in which we operate.



2018 Performance

2018 PAYMENTS TO GOVERNMENTS (\$000)

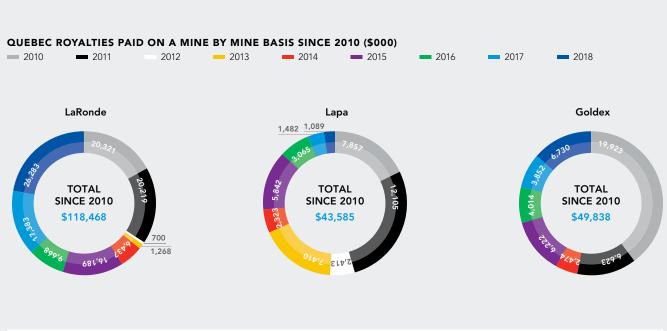
- Current Tax
- Payroll Taxes (paid by employer)
 Sales Taxes (non-refundable)
- Government Royalties and Mining Taxes
- Payroll Taxes (paid by employee)
 Rent (mining leases and claims)
- Royalties Paid to Land Owners
 Municipal Taxes
 Other



2018	Finland	Mexico	Quebec	Nunavut	Head Office	Total
Current Tax	\$704,862	\$32,104,589	_	_	_	\$32,809,451
Government Royalties						
and Mining Taxes	\$4,117,001	\$12,258,442	\$34,102,307	\$2,523,007	-	\$53,000,757
Royalties Paid to Land Owners	_	\$5,143,778	_	_	_	\$5,143,778
Payroll Taxes (paid by employer)	_	\$8,477,261	\$15,223,615	\$6,847,840	\$2,244,768	\$32,793,484
Payroll Taxes (paid by employee) \$11,939,562	\$9,800,921	\$56,028,094	\$38,606,277	\$30,194,471	\$146,569,325
Municipal Taxes	\$461,408	\$60,229	\$1,247,376	\$1,708,769	\$10,459	\$3,488,241
Sales Taxes (non-refundable)	\$1,318,385	_	\$181,486	\$111,278	_	\$1,611,149
Rent (mining leases and claims)	\$1,428,744	-	\$172,237	\$617,058	\$130,843	\$2,348,882
Other	\$56,650	\$1,139,193	-	\$4,824,001	_	\$6,019,844
Total Payments to						
Government by Country	\$20 026 612	\$68 984 413	\$106 955 115	\$55 238 230	\$32 580 541	\$283 784 911



2018 Performance



PROPORTION OF SPENDING ON LOCALLY BASED SUPPLIERS



Agnico Eagle Mines Limited





2009 — 2018

Agnico Eagle over the years

2009



Agnico Eagle signs and implements an Inuit Impact Benefits Agreement that provides funding for education and skills development, and is finding ways to maximize local Inuit employment and business opportunities and to develop skills that will enable our Inuit employees to advance.

2012



Agnico Eagle celebrates a major milestone in our Company's history – pouring our millionth ounce of gold in a single year, setting a new annual gold production record of 1,043,811 ounces.

2016



Drawing 36% of our Meadowbank mine workforce from the Kivalliq region of Nunavut.

2017



Approval of the Meliadine and Amaruq Projects for a total investment of \$1.2B over 2 years and a total of 2,000 jobs.



Agnico Eagle recognized as a high-quality job creator and recruiter

With two new mines set to open shortly in Nunavut and continued focus on expanding our mineral reserves and resources in Quebec as well as in Ontario, our human resources (HR) team has been working on over-drive – recruiting nearly 700 people over the past two years, a hectic pace made easier by Agnico Eagle's reputation for being a responsible miner and an attractive employer.

Their work hasn't gone unnoticed, garnering the respect of their HR colleagues and fellow recruiters.

In September, the Nunavut HR team received national recognition for launching the most effective recruitment strategy in Canada. The team won the prestigious Maxsys Staffing and Consulting Award for Most Effective Recruitment Strategy during the annual Canadian HR Awards, which honour excellence in the Canadian human resources industry.

The Maxsys Award saluted the team's creativity which will lead to successfully recruiting for and maintaining 2,000 jobs by the end of 2019 at our new Meliadine and Amaruq projects in Nunavut. Their efforts included building the management team and hiring mining, metallurgy, geology, administration and transportation people by early 2019 – with many of the roles needing to be filled in the midst of a labour shortage. The team maximized, as much as possible, interdivisional transfers to support Agnico Eagle's culture of caring and collaboration. They also aimed to hire as many Inuit from the region into the project.

"For Agnico Eagle, it was critical that we execute this mandate internally and not outsource our recruiting to external firms. We wanted to maximize the hiring "fit" and ensure we were hiring candidates who would support our company values and culture," comments Sandra Marseille, Human Resources Superintendent, Nunavut.

The tools and tactics of their successful recruitment campaign included: a new recruiting brand that focused on Agnico Eagle's collaborative culture; a mass advertising campaign that targeted strategic locations across Canada; an online applicant tracking tool to support mass hiring; dividing their recruitment teams into specialty areas to maximize efficiency; hosting several online career fairs; attending in-person career fairs held across Central and Eastern Canada; and, developing a Nunavut road show that crisscrossed the region and encouraged people to consider a career in mining with Agnico Eagle.

Adding to that success, in October, Agnico Eagle's Quebec HR team proudly accepted the 2017 Quebec Job Creator's Award (Prix Créateurs d'emplois), highlighting the Company's efforts to create and maintain high-quality and long-term employment in the Abitibi-Témiscamingue region. A key tactic for the Quebec HR team was launching a Facebook recruitment page. This social media presence, along with grassroots activities in both Quebec and Ontario, such as virtual and physical career fairs, helped the team fulfil their recruitment needs and challenges.





UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



UN SDG 1: No Poverty

End poverty in all its forms everywhere

Agnico Eagle employs close to 9,000 people worldwide, contributing substantially to the prosperity of our host communities. We generate significant revenues through taxes, royalties and dividends for governments to invest in economic and social development. Additionally, we support local businesses and jobs through the procurement of goods and services. As a leader in best practices, we focus on building local capacity and on developing mining professional expertise to foster sustainable benefits for all our stakeholders. In that spirit, we take an inclusive approach by working with communities to understand a mine's actual and potential positive and negative impacts. Additionally, Agnico Eagle supports participatory local decisionmaking processes regarding mining activities, the equitable allocation of benefits and the resolution of grievances.



UN SDG 8: Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

The most important contribution we can make to promote social economic growth in the regions where we operate is to create high-quality employment opportunities at our global mining operations. In 2018, we paid approximately US\$428 million in wages and benefits within our operating communities.





Unlocking Nunavut's potential – 10 years of growth and economic development

As we prepare to officially open our new Meliadine and Amaruq mines in 2019, we are taking stock of the social and economic development our activities have generated in the Kivalliq region.

Agnico Eagle has made significant investments over the past 10 years to develop our mining platform, build local infrastructure, and provide local stakeholders with access to training, development and employment opportunities.

We currently directly employ 398 Inuit employees, which include both full-time and part-time employees. We have proudly helped an almost non-existent middle class to grow in Nunavut and we currently represent 15% of Nunavut's GDP, which should increase to nearly 25% after 2019.

"Over the past 10 years, Agnico Eagle has worked tirelessly with our community partners to create education, training, high-quality jobs and business opportunities in Nunavut. Our goal is to help close the gaps in social, health and economic outcomes that exits between Aboriginal and non-Aboriginal people," says Dominique Girard, VP Nunavut.



33% of our Inuit workforce was female in 2018 **Building Entrepreneurial Capacity:** In 2018 alone, there were approximately 80 companies registered with Nunavut Tunngavik Inc. (NTI) to provide goods and services to our Meadowbank Mine, Amaruq and Meliadine Projects. This is one of the key commitments in our IIBAs with the KIA and we jointly run the Business Opportunities Committee, which oversees the supplier pre-qualification and tendering process.

Our total spend with Inuit firms for the year was \$408 million, representing 58% of our total spend in the region. These businesses have helped build and going forward, will sustain our operations by providing transportation, environmental, aviation, construction and mining services to our sites.

Providing Employment Skills and Opportunities: Our vision is to one day have 100% of our Nunavut workforce, including our management teams, hired

directly from our northern communities. To achieve





We have proudly helped an almost non-existent middle class to grow in Nunavut.

this goal, and our mid-term goal of obtaining 50% Inuit employment, we have established numerous development, employment readiness and retention programs for our Inuit workforce. In 2018, we have provided 26,000 hours of training and have invested a total of about \$5.4 million for our Inuit workforce, which represents 32% of the Inuit payroll.

Key to increasing Inuit employment levels is attracting more women to non-traditional mining roles, providing adult education and mentoring programs to develop future Inuit leaders, ensuring students are aware of jobs and careers in the mining industry,

and continuing to offer skills development and training initiatives throughout the community. In 2018, 18% of our total Nunavut workforce was female and 33% of our Inuit workforce was female.

Over the past 10 years, we have come to admire the pioneering spirit of the Nunavummiut and the tremendous potential to do business in the region. Agnico Eagle wants to be the company that all Inuit businesses want to work with, and all Inuit want to work for, as together we contribute to the economic prosperity of Nunavut.



Key facts about Agnico Eagle's planned growth in Nunavut ~\$1.2B

invested between 2017-2019

\$17.2M

in annual salaries for Kivalliq communities

\$3.3M+

in annual property taxes to the Government of Nunavut

15%

of Nunavut GDP will increase to nearly 25% after 2019

2

operating gold mines by 2019

~\$367M

per year in goods and services after 2019

2,000+

employees including contractors (approximately 700 will be Inuit)

\$330M

in royalties and fees to the Kivalliq Inuit Association and Nunavut Tunngavik Incorporated over 15 years

Governance

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's Code of Business Conduct and Ethics outlines the standards of ethical behaviour we expect from people working on our behalf around the world. The Code applies to all directors, officers, employees and agents and commits them to conducting their business in accordance with all applicable laws, rules and regulations and to the highest ethical standards.

We have also adopted a Code of Business Ethics for consultants and contractors and a Supplier Code of Conduct. Additionally, we have established a toll-free "whistleblower" ethics hotline for anonymous reporting of any suspected violations of the Code of Business Conduct and Ethics, including concerns regarding accounting, internal accounting controls or other auditing matters, Code of Conduct violations, ethical conflicts, environmental issues and harassment and discrimination.

In September 2018, Agnico Eagle revised its Aboriginal Policy to adopt an Indigenous Peoples Engagement Policy as a statement of our commitment to engage with First Nations throughout the life cycle of our projects and to guide our consultation with Indigenous Peoples in all regions of the world, wherever Agnico Eagle maintains a presence. We believe being responsive to the aspirations of Indigenous Peoples not only contributes to the success of our sustainability practices, but also builds community support and enhances our reputation as a responsible miner. Our Policy supports the United Declaration on the Rights of Indigenous Peoples (UNDRIP), its principles, norms and standards.

Agnico Eagle has formally adopted the Voluntary Principles on Security and Human Rights (VPs). Created in 2000, the VPs are standards to help extractive sector companies balance the obligation to respect human rights while protecting the assets and people at their operations. The Government of Canada has identified the VPs as one of six leading standards in Canada's CSR Strategy for the Extractive Sector. As a member of MAC, Agnico Eagle has committed to implementing a human rights and security approach consistent with the VPs and based on a determination of risk at mining facilities we operate. In that spirit, we audited our security management practices in Mexico to ensure best practices and high standards. During this audit, we also included an assessment on child labor and human rights using the Unicef Canada checklist. We anticipate that all sites will complete a similar audit during 2019. We will report on overall implementation of these matters through MAC's Towards Sustainable Mining annual progress report and the VPs' annual report.

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 one executive officer – the Senior Vice-President of Environment, Sustainable Development and People 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, along with risk assessment and mitigation measures, are integrated into the day-to-day management of our business at the operational level. Finally, sustainable development matters are presented to the Health, Safety, Environment and Sustainable Development (HSESD) Committee of the Board of Directors at Board meetings.

Guiding Principles

Agnico Eagle has developed a clear, well-defined set of Guiding Principles to ensure we reinforce our management approach and cultural identity across the company – a set of principles which are clear and simple, anchored in our values, based on collaboration and which have contributed to Agnico Eagle's success for over 60 years.

Stakeholder Advisory Committee

We have established a Stakeholder Advisory Committee (SAC) to provide us with feedback on our corporate social responsibility efforts and to complement and help us make strategic links to 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 was established in 2011 and has met in Toronto annually each fall since then.

Diversity and Inclusion Policy

In December 2018, we adopted a Diversity and Inclusion Policy. At Agnico Eagle, we value workplace diversity and inclusion across all aspects of our business. This commitment aligns with our core values of Family, Trust, Respect, Responsibility and Equity and to the United Nations Sustainable Development Goal No 5 – Gender Equity. It also reflects the commitments contained in our Sustainable Development Policy and Code of Business Conduct and Ethics, which underscore that Agnico Eagle values diversity in recognizing and respecting human differences such as, but not limited to, age, ethnicity, heritage, culture, nationality, gender, disability, sexual orientation, beliefs and family status. We remain committed to maintaining an inclusive workplace where all employees are involved and empowered to contribute to the success of the business, while recognizing the strength of our differences.

Tailings Management

Tailings storage facilities at all of our operating and closed sites meet or exceed regulatory requirements, and we are continually improving the management of our facilities by developing and incorporating best practices. In 2018, Michel Julien, VP Environment, was officially appointed to the role of Accountable Executive Officer (AEO) as defined by the MAC Tailings Guide for our Tailings Storage Facilities, Water Management Infrastructures, Rockfill Storage Facilities and Heap Leach Facilities. Within this oversight role. Michel will report yearly to the Board of Directors to the effect that the infrastructure associated with our tailings, rockfill, heap leach and water management, are managed responsibly and in a safe manner, and, that our operations have the tools, staff and budget to do their work properly. Furthermore, we will continue to identify for all sites, specific Responsible Persons (RP), Engineers of Record (EoR) and Independent Reviewers (IR). These different functions are key to demonstrating that we have in place the proper systems and processes to manage our risks responsibly.



Each year, Agnico Eagle's Board of Directors makes a point of travelling to at least one of the Company's sites as a way for the Directors to become more familiar with operations, witness the progress being made on new projects, meet key community members and get to know our employees. Here they are pictured, along with other Company employees, visiting the underground infrastructure at Agnico Eagle's Meliadine project in Nunavut.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



UN SDG 16: Peace, Justice and Strong Institutions

Promote peaceful and inclusive societies for sustainable development

Agnico Eagle is committed to maintaining high standards of integrity, transparency and respect for our stakeholders – our employees, the communities in which we operate, all levels of government, our business partners and shareholders. Our governance practices guide our behaviour and performance, helping to ensure we act in an ethically responsible manner, uphold our core values and fulfil the commitments of Agnico Eagle's Code of Business Conduct and Ethics. We also subject our company to the scrutiny of national and international organizations with respect to our business and human rights practices.



UN SDG 17: Partnerships for the Goals

Strengthen the means of implementation and revitalize the global partnership for sustainable developments

Sustainable development is driven by innovation, partnership and a commitment to sharing best practices. It is through global partnerships that we can create meaningful change and strengthen implementation.

Awards and Recognition



HEALTH AND SAFETY

La India Mine won the prestigious "Silver Helmet" and was recognized as the "Safest Mine in Mexico" (in its category) during the Mexican Chamber of Mines' (CAMIMEX) Annual Safety Competition. La India mine achieved excellence in six mining categories and undertook a rigorous audit, which included recording the lowest accident rates, maintaining strict levels of regulatory compliance and achieving the highest level of safety program performance. Over the past 30 years, this award has become the most prestigious and important national recognition for mine safety in Mexico.



HEALTH AND SAFETY

Lapa Mine was honoured for its health and safety performance, winning the 2017 prestigious F.J. O'Connell Award for underground operations in Quebec with less than 400,000 hours worked. It is the second time our Lapa mine team has won this award for its strong performance and ongoing commitment to health and safety.



ENVIRONMENT

All six Agnico Eagle sites that undertook a TSM (Toward Sustainable Mining) external audit (prior year–2017) were honoured with a **TSM Leadership Award**. Goldex, LaRonde, Meadowbank, Kittila, La India and Pinos Altos Mines each achieved Level A or better in all key performance indicators (community, biodiversity, energy and GHGs, tailings management, health and safety).



PEOPLE

For the sixth year in a row, Agnico Eagle Mexico was recognized in the "Great Place to Work" program for Mexico, which recognizes companies seeking to improve the quality of their workplace. The group placed 19th out of 100 companies in the annual rankings for employers with 500 to 5,000 employees.



PEOPLE

Agnico Eagle's Quebec Human Resources team proudly accepted the Quebec Job Creator's Award (Prix Créateurs d'emplois), highlighting our Company's efforts to create and maintain high-quality and long-term employment in Abitibi-Témiscamingue.



PEOPLE

Agnico Eagle's Nunavut Human Resources team received national recognition by winning the prestigious Maxsys Staffing and Consulting Award for Most Effective Recruitment Strategy during the annual Canadian HR Awards. The Award saluted the team's creativity which will lead to successfully recruiting and maintaining 2,000 jobs by the end of 2019 at our new Meliadine and Amaruq projects in Nunavut.



PEOPLE

Agnico Eagle's Nunavut Exploration team was awarded the 2018 Professional Award of Merit in Geoscience by the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (NAPEG).



PEOPLE

LaRonde Mine won the 2018 International Critical Communications Award (ICCA)/Outstanding Single Critical Communications Installation as the first company in the world to install LTE-4G in an underground operating mine. The LaRonde team – led by Alain Larose, Assistant Superintendent, Maintenance, Ghislain Couture, General Supervisor, Electrical and Sylvain Bernier, Electrical Technician - was also recognized internally, receiving Agnico Eagle's "Michel Letourneau" Award, which honours teamwork and innovation in the workplace.



PEOPLE

Agnico Eagle was honoured with a trio of awards at the 2018 Investor Relations (IR) Magazine Awards - Canada, the IR community's largest annual event celebrating excellence in investor relations in Canada. Agnico Eagle won the top prize, Best Overall Investor Relations (large cap), as well as Best IR by a CEO (large cap) and Best Sector Award (Materials).



COMMUNITY

For the 11th year in a row, Agnico Eagle Mexico (Pinos Altos & Creston Mascota Complex) received the Mexican Center of Philanthropy's Corporate Social Responsibility Award, which recognizes companies that incorporate a commitment to being socially responsible into their corporate culture by showing respect for people, ethical values, community and the environment.



COMMUNITY

Eric Côté, a planning engineer at Meadowbank Mine, won the Paul Penna 2018 Award for his dedication to helping local communities in developing countries to obtain clean drinking water. In recognition of Eric's dedication and work in developing countries, Agnico Eagle contributed CDN \$10,000 on his behalf to Global Ventures, an organization that specializes in short-term mission trips. The Paul Penna Award honours employees who are actively involved in their local communities.

Mine. Yours. Ours.



These covers from all of our previous sustainable development reports help tell the story of Agnico Eagle's journey toward transparent, continuous and credible reporting about our economic, health, safety, environmental and social performance. Each signifies our commitment to a sustainable future that benefits all. We will continue to report on what matters most to our business and to our stakeholders.

