



Building on solid ground.

AGNICO EAGLE MINES LIMITED
2015 SUSTAINABLE
DEVELOPMENT REPORT





A MESSAGE FROM

Our Senior VP

LOUISE GRONDIN

At year end, we achieved 16 triple-zero weeks and 2015 was the safest year in our Company's history with no fatalities and fewer lost-time accidents.

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

I WANT TO REFLECT ON THE THEME OF THIS YEAR'S SUSTAINABLE DEVELOPMENT REPORT: BUILDING ON SOLID GROUND.

Agnico Eagle has been in business for almost 60 years, starting from our humble beginnings in Cobalt, Ontario and building throughout the years to become the multi-mine, multi-country company we are today. What is noteworthy is that, simultaneously, we have also built a culture of respect, responsibility and trust, where individual contributions are valued and long-term relationships are developed with employees, communities, governments and business associates. This long-term view, anchored in a strong value-based culture, makes Agnico Eagle more resilient to the cyclical nature of our business: we are better equipped to ride the market down-cycles. At such times when cost reduction is on everyone's mind, our corporate culture keeps health, safety, environment and community (HSEC) issues and concerns at the top of our agenda. This agenda focuses on three elements: performance, pipeline and people.

PERFORMANCE

Throughout the year, we communicated our commitment to achieving our company-wide goal of a triple-zero accident frequency – that is zero fatalities, zero lost-time accidents and zero restricted work accidents – by celebrating each week that we reached this objective. By year-end, we had achieved 16 triple-zero weeks and 2015 was the safest year in our Company's history, with no fatalities and fewer lost-time accidents. In fact three of our sites – La India, Meadowbank and Meliadine – recorded zero lost-time accidents. While we must remain vigilant, our track record demonstrates that our safety culture is built on solid ground.

We also strengthened our HSEC standards by continuing to build our Responsible Mining Management System (RMMS) and by our leadership and adherence to MAC's TSM protocols.

PIPELINE

Given the increasing complexity and cost of developing a mine, we believe it is critical that potential HSEC issues, concerns and risks are taken into account at the outset of any project – from the evaluation and design phases, through to construction. In 2015, we began assessing the social acceptability of projects under evaluation, as part

of our existing practice of reviewing environmental and permitting considerations. We believe this approach will also help to better identify risks prior to project acquisition.

PEOPLE

We have one of the most skilled, experienced and motivated teams of professionals in the mining industry. By continuing to establish and promote multi-function teams, we are able to leverage their expertise for the benefit of our whole organization. We will expand training and development opportunities to better equip our professionals with the tools and skills necessary for them to succeed in this increasingly complex and exciting industry.

Not only are we proud of Agnico Eagle's legacy over the past 60 years, we are excited about the challenges that lie ahead for all of us over the next 60 years...and counting.

Louise Grondin
Senior Vice-President, Environment,
Sustainable Development and People
March 15, 2016

ABOUT THIS REPORT

The 2015 Sustainable Development Report marks the seventh 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, 2015. It is intended to give our stakeholders a better understanding of how we manage the challenges associated with our health, safety, environmental and social risks.

Our report has been prepared in accordance with the Sustainability Reporting Guidelines (G4) developed by the Global Reporting Initiative (GRI), including mining industry specific indicators incorporated into the Mining and Metals Sector Supplement. It also describes our performance under the Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) Initiative.

The Canadian Malartic Mine sustainable development performance is reported in a separate report that can be found on the website canadianmalartic.com.

All funds unless otherwise specified are reported in USD.



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



On the cover: In business for almost 60 years, Agnico Eagle has built a strong foundation by engaging with our employees, supporting our communities and developing a reputation as a fair business partner. It is from this foundation that we will continue to grow our business, strengthen our performance, develop our pipeline of quality projects, and invest in our people.

Pictured on the cover: Agnico Eagle geologist Sophie Lafontaine (right) and student geologist Alexie Racicot-Ruel prospecting near the Amaruq discovery in Nunavut.

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

Agnico Eagle At-a-Glance

8

AGNICO EAGLE MINES WORLDWIDE, INCLUDING CANADA, FINLAND AND MEXICO.

59

YEARS IN WHICH AGNICO EAGLE HAS BEEN PRODUCING PRECIOUS METALS.

1.67

MILLION OUNCES OF GOLD FROM 2015 PAYABLE PRODUCTION.



6,710**

TOTAL NUMBER OF EMPLOYEES AND CONTRACTORS.



NORTHERN BUSINESS
OPERATIONS INCLUDE OUR WHOLLY-OWNED LARONDE, GOLDEX, LAPA AND MEADOWBANK MINES AS WELL AS OUR 50% INTEREST IN THE CANADIAN MALARTIC MINE IN CANADA AND OUR KITTILA MINE IN FINLAND.



SOUTHERN BUSINESS
OPERATIONS ARE FOCUSED IN MEXICO AND INCLUDE OUR WHOLLY-OWNED PINOS ALTOS, CRESTON MASCOTA AND LA INDIA MINES.

NORTHERN BUSINESS OPERATING MINES

1 KITTILA

Lapland, Finland
Underground mine, northern Finland

2015 payable production:
177,374 ounces of gold

Employees and contractors: 653

Kittila, located in northern Finland, is extracting ore from one of the largest known gold deposits in Europe. Its proven and probable mineral reserves contain 4.35 million ounces of gold (28 million tonnes at 4.8 g/t).*

2 LAPA

Quebec, Canada
Underground mine in Abitibi region, Quebec

2015 payable production:
90,967 ounces of gold

Employees and contractors: 252

Lapa, a small underground operation near LaRonde, has entered its last year of operation based on the current life-of-mine plan. Proven and probable mineral reserves are 78,000 ounces of gold (0.4 million tonnes at 5.49 g/t).*

3 LARONDE

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

2015 payable production:
267,921 ounces of gold

Employees and contractors: 1,090

LaRonde has proven and probable mineral reserves of 3.1 million ounces of gold (18 million tonnes at 5.3 g/t) 19.73 g/t silver, 0.81% zinc and 0.24% copper).*

4 GOLDEX

Quebec, Canada
Underground mine in Abitibi region, Quebec

2015 payable production:
115,426 ounces of gold

Employees and contractors: 416

Goldex has proven and probable mineral reserves of almost 0.6 million ounces of gold (1.2 million tonnes at 1.6 g/t).*

5 MEADOWBANK

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

2015 payable production:
381,804 ounces of gold

Employees and contractors: 1,100

Meadowbank open pit mine is Agnico Eagle's largest gold producer with 0.94 million ounces of gold in proven and probable mineral reserves (10 million tonnes at 2.72 g/t).*

6 CANADIAN MALARTIC

Quebec, Canada
Open pit mine in Abitibi region, Quebec

2015 payable production:
285,808 ounces of gold (on a 50% basis)

Employees and contractors: 1,111

Canadian Malartic – in which Agnico Eagle has 50% ownership – is currently Canada's largest operating gold mine. It has 3.8 million ounces of gold in proven and probable mineral reserves (11 million tonnes at 1.08 g/t) on a 50% basis.*

SOUTHERN BUSINESS OPERATING MINES

7 PINOS ALTOS

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

2015 payable production:
247,677 ounces of gold

Employees and contractors: 1,495

Pinos Altos – including Creston Mascota – has proven and probable mineral reserves containing 1.6 million ounces of gold and 39.1 million ounces of silver (20 million tonnes at 2.5 g/t gold and 61.05 g/t silver).*

8 LA INDIA

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

2015 payable production:
104,362 ounces of gold

Employees and contractors: 488

La India mine achieved commercial production in February 2014 and has proven and probable mineral reserves of 0.86 million ounces of gold and 4 million ounces of silver (30 million tonnes at 0.9 g/t gold and 4.23 g/t silver).*

ADVANCED EXPLORATION PROJECTS

9 AKASABA WEST

The Akasaba West gold-copper deposit is less than 30 kilometres east-southeast from Agnico's Goldex mine, near Val-d'Or, northwest Quebec.

The project hosts an estimated initial probable mineral reserve of 141,000 ounces of gold and 24,557 tonnes of copper (4.8 million tonnes grading 0.92 g/t gold and 0.52% copper) plus an indicated gold resource of approximately 54,000 ounces gold and 9,287 tonnes of copper (2.8 million tonnes at 0.60 g/t gold and 0.33% copper) as of December 31, 2015. Permitting and technical studies are underway with the goal of moving the project towards a production decision.

10 AMARUQ

Gold project located in the Kivalliq region of Nunavut, northern Canada

As of December 31, 2015, the project has an estimated inferred resource of 3.3M ounces of gold (16.9 Mt at 6.05 g/t) and a large mineral resource. Following receipt of permit approval in late 2015 construction began on a 60 km exploration access road between the Amaruq project and the Meadowbank mine. Conversion and exploration drilling continues as well as technical studies to validate Amaruq as a satellite deposit to the Meadowbank mine.

11 EL BARQUEÑO

Early-stage gold/silver project located in Jalisco State, Mexico

As of December 31, 2015 the project has an estimated inferred resource of 19.7 million tonnes grading 0.96 g/t gold, 5.78 g/t silver and 0.19% copper for a total of 0.6 million ounces of gold and 3.7 million ounces of silver. Three deposits and several prospects are being drilled or evaluated for their potential to be developed into a series of open pits utilizing heap leach processing. Conceptual studies and metallurgical testing are also underway.

12 MELIADINE

Advanced-stage gold project in Nunavut Territory, northern Canada

Employees and contractors: 290

The project has 3.4 million ounces of gold in proven and probable mineral reserves (14.5 million tonnes at 7.32 g/t) and a large mineral resource. In 2015, following receipt of the Project Certificate for Meliadine, we expended approximately \$67 million to advance ramp development, permitting, camp operations, and to update a technical study.*

CLOSED SITES

13 COBALT-COLEMAN PROPERTIES

Cobalt, Ontario, Canada

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

14 EAGLE & TELBEL

Joutel, Quebec, Canada

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

EXPLORATION

EXPLORATION OFFICES

Vancouver, British Columbia, Canada

Chihuahua, Chihuahua State and Hermosillo, Sonora State, Mexico

Kittila, Lapland, Finland

Barsele, Sweden

Reno, Nevada, USA

Val-d'Or, Quebec, Canada

ADMINISTRATION AND SUPPORT OFFICES

Chihuahua and Hermosillo, Mexico

Espoo, Finland

Tucson, Arizona, USA

Preissac and Val-d'Or, Quebec, Canada

Toronto, Ontario, Canada

* 2015 Mineral Reserves and Mineral Resources – See more at www.agnicoeagle.com.
** Excluding Canadian Malartic

Our Approach to Sustainable Development

At the core of our Sustainable Development program we are committed to creating value for our shareholders while operating in a safe, and socially and environmentally responsible manner, while contributing to the prosperity of our employees, their families and the communities in which we operate. This has translated into the four fundamental values of our Sustainable Development Policy: operate safely, protect the environment, and treat our employees and communities with respect. These values have helped us to build a solid foundation from which we can continue to grow our business.



AT AGNICO EAGLE, WE:

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

OPERATE SAFELY

We believe that all lost time due to incidents and accidents is preventable. We aim to operate a safe and healthy workplace that is free from injury and fatality (zero harm). We believe that if we work together, we can achieve zero accidents in the workplace and enhance the well-being of our employees, contractors and communities. To achieve a safe and healthy workplace, we:

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

PROTECT THE ENVIRONMENT

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.

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

- minimize the generation of waste and ensure its proper disposal;
- manage tailings, waste rock and overburden to ensure environmental protection;
- implement measures to conserve natural resources such as energy and water;
- implement measures to reduce emissions to air, water and land, and to minimize our footprint;
- implement measures to reduce our greenhouse gas emissions and 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.

RESPECT FOR OUR EMPLOYEES

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

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

RESPECT FOR OUR COMMUNITIES

We aim to contribute to the social and economic development of the 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 or any form of forced or compulsory labour is permitted in the workplace;
- uphold fundamental human rights and respect cultures, customs and values of all affected by our activities;
- 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, sourcing goods and services locally and employing local people; and,
- provide assurance that our operations will not support, benefit or contribute to unlawful armed conflict, human rights abuses or breaches of international humanitarian law.

RESPONSIBLE MINING

Our goal is to further promote 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 and the environment.

In 2015, we continued to integrate sustainability into all aspects and stages of Agnico Eagle's business – from our corporate objectives and executive responsibility for “maintaining high standards in sustainability” to our exploration and acquisition activities, day-to-day operations, and ongoing site closure plans. This integration will allow employees to take greater ownership of implementing responsible mining practices.

We enhanced our Responsible Mining Management System (RMMS) standards and brought more focus to managing risk. We formalized existing critical procedures and developed new ones to improve the management of our higher risk activities in environment, health, safety, and community relations. In addition, action plans were developed to mitigate the risks identified in the 2014 risk assessment, beginning with the categories of “very high” and “high” risk.

In 2015, we also received certifications under the Cyanide Code, a voluntary industry program for companies that use cyanide to recover gold, for three of our operations including Kittila, Meadowbank and Pinos Altos and a pre-audit of our Mascota heap leach operation was conducted.

TOWARDS SUSTAINABLE MINING

In 2004, MAC developed its TSM initiative to help mining companies evaluate the quality, comprehensiveness and robustness of their management systems under six performance protocols: crisis management, energy and GHG emissions management, tailings management, biodiversity conservation management, health and safety, and aboriginal relations and community outreach.

Participation in the TSM program is mandatory for all Canadian operations falling under MAC's jurisdiction.

Agnico Eagle began implementing TSM in 2011 and, in 2015, our Goldex, Kittila, Lapa, LaRonde, Meadowbank and Pinos Altos mines underwent their first external verification for all 23 indicators. Our La India mine did not participate as it was still in the start-up phase.

Additionally, Agnico Eagle has committed to ensuring the TSM initiative is implemented at all of our operations, including Finland and Mexico. In 2015, we were pleased to help facilitate the adoption of the TSM initiative by FinnMin, the Finnish Mining Association. This is the first time TSM has been adopted by a mining association outside of Canada.

PROTOCOLS	INDICATORS	KITTILA	MEADOWBANK	PINOS ALTOS	GOLDEX	LARONDE	LAPA	AGNICO EAGLE (CORP)
Tailings 100%	1	A	A	A	A	A	N/A	
	2	A	A	A	A	A	N/A	
	3	A	A	A	A	A	N/A	
	4	A	A	A	A	A	N/A	
	5	A	A	A	A	A	N/A	
Energy & GHG 86%	1	A	A	B	N/A	AA	N/A	
	2	A	A	A	A	A	A	
	3	A	A	B	N/A	A	N/A	
Community 92%	1	AAA	AA	AA	AA	AA	AA	
	2	AA	A	A	AA	AA	A	
	3	AA	B	A	AAA	AAA	A	
	4	A	B	A	AA	A	A	
Crisis 95%	1	Y	Y	Y	Y	Y	Y	Y
	2	Y	Y	Y	Y	Y	Y	Y
	3	Y	Y	N	Y	Y	Y	Y
Biodiversity 89%	1	A	AAA	AAA	A	AA	A	
	2	A	A	AAA	A	AA	B	
	3	A	A	AA	A	A	C	
Health & Safety 100%	1	A	A	A	A	AAA	AA	
	2	A	A	A	A	AAA	A	
	3	AA	AAA	A	AA	AA	A	
	4	A	A	A	A	A	A	
	5	AA	AA	B	A	A	AA	

The audit results showed that our operations had achieved an 'A' rating or higher for 95% of the indicators in the six protocols. Out of 132 indicators we obtained an 'A' level in 124. Three of our mines – Kittila, LaRonde and Meadowbank – each received a TSM Leadership Award for achieving an 'A' level or higher in all protocols.

2015 Performance Summary

In 2015, we continued to integrate our Sustainable Development program into all aspects of our business. The following highlights describe some of our achievements:



HEALTH AND SAFETY

- Our combined lost-time accident (LTA) and restricted work frequency was 1.23 – a 17% reduction from the previous year's performance and substantially below our target rate of 1.5. This is the sixth year in a row we have posted our lowest ever combined rate. As we continue toward zero harm, we achieved 16 weeks during 2015 in which no lost time or restricted work cases were reported at any of our operations.
- The Quebec Mining Association recognized 23 supervisors from the LaRonde, Lapa and Goldex mines for achieving more than 50,000 hours without any compensable accidents on their work teams.
- At the Quebec Provincial Mine Rescue competition, Goldex's Mine Rescue team again won first place.
- As part of our RMMS we created Critical Safety Procedures, which include vehicle safety, confined spaces and working at height. These procedures are the minimum standard that each Agnico Eagle site must comply with, above and beyond any local regulations.



OUR EMPLOYEES

- Agnico Eagle Mexico sites (La India, Pinos Altos and Creston Mascota) were again recognized in the "Great Place to Work" rankings for northwest Mexico.
- As we are preparing for closure of the Lapa mine in 2016, all our Abitibi divisions accepted a virtual hiring freeze and increased their use of contractors in order to guarantee employment to all Lapa employees upon mine closure. This was a real team effort, with the other divisions agreeing to wait longer to fill vacant positions and Lapa accepting to release some of their employees to the other sites before the mine's official closure.
- We also recognized our former Silver Division employees from the Town of Cobalt, where our operations closed in 1989. A ceremony was held in June to commemorate their contribution to our success.
- Each year we honour an Agnico Eagle employee who best exemplifies the legacy of our founder Paul Penna, who believed in supporting the well-being of employees and the communities in which we operate. The 2015 Paul Penna Award was given to Anival Lopez of the Pinos Altos division. Agnico Eagle donated C\$10,000 to the community initiative or charity of choice on behalf of Anival. We also donated C\$2,500 to the community initiative or charity of choice on behalf of the other award nominees in each of our operating regions.



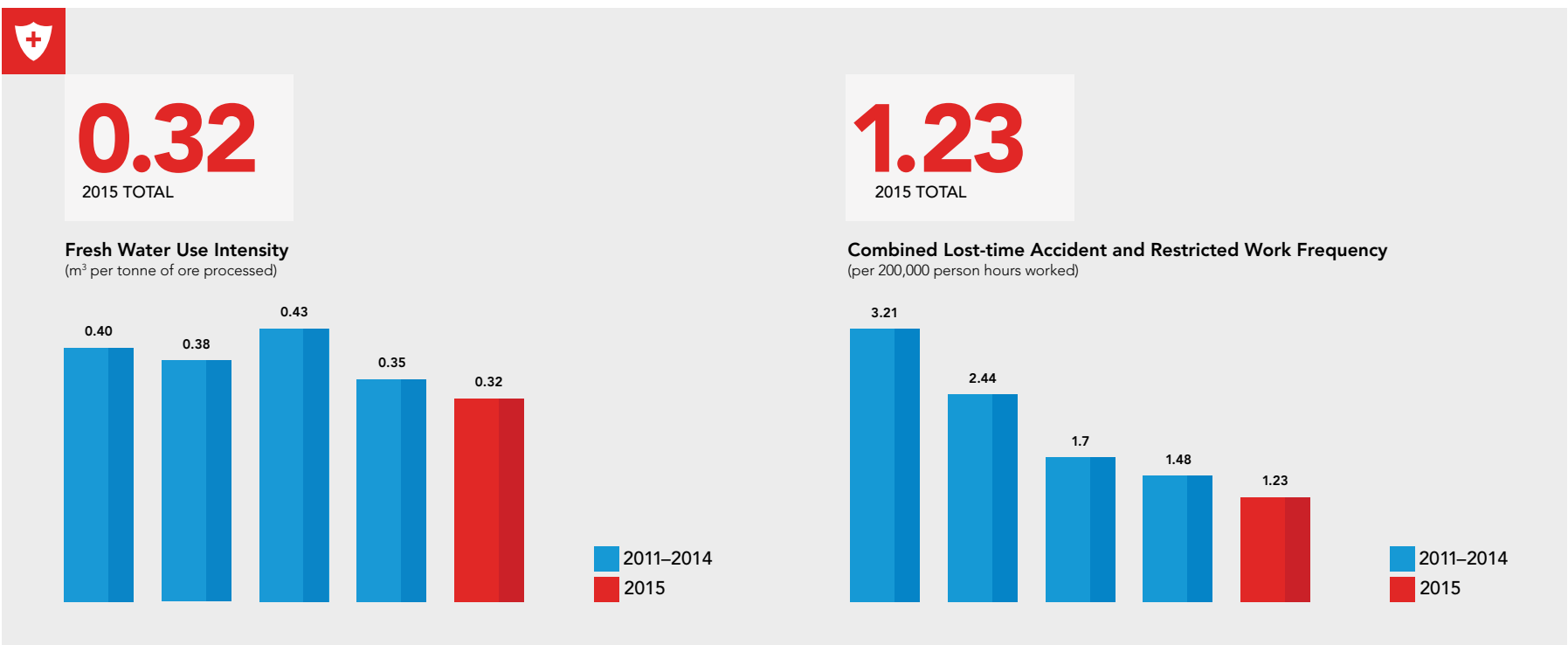
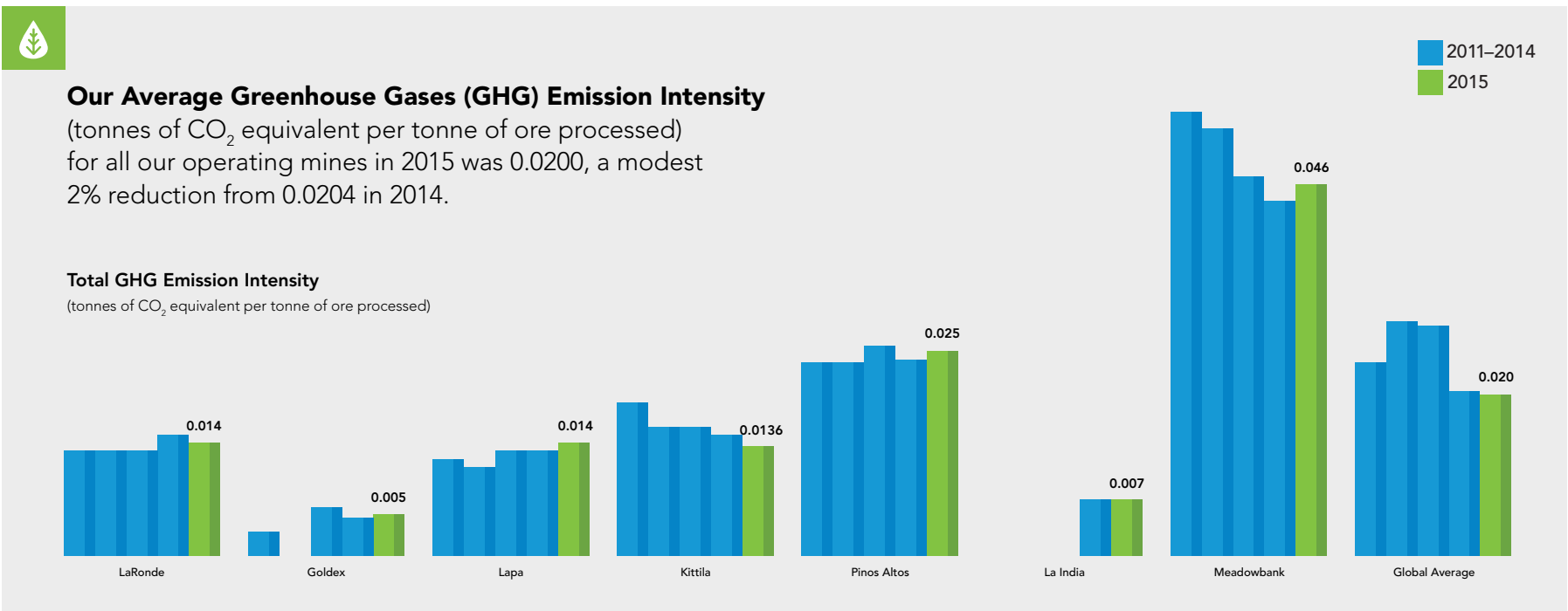
ENVIRONMENT

- Our average greenhouse gases (GHG) emission intensity (tonnes of CO₂ equivalent per tonne of ore processed) for all our operating mines in 2015 was 0.0200, a modest 2% reduction from 0.0204 in 2014. This is due to a combination of more efficient energy use and the use of more hydroelectric power.
- Three of our operations – Pinos Altos, Kittila and Meadowbank – were certified under the International Cyanide Management Code.
- No infraction notices were received in 2015. However, the Meadowbank mine has been under investigation since 2014 by Environment Canada and Aboriginal Affairs and Northern Development Canada for a contaminated seepage event that occurred in 2013. In August 2015 Environment Canada charged the Company with two violations under the Fisheries Act. The hearing in relation to these charges is expected in 2016.
- Two category 3 events occurred during the year: 1) Two cows that inadvertently accessed our heap leach pad died after ingesting cyanide on August 13th. Following this incident a plan was put in place to construct additional fencing around the heap leach area; 2) In September, our Kittila mine observed water seepage coming from the toe of the NP3 dam. Uncontrolled discharge of treated water continued over a period of 36 hours. All water from this discharge was collected and pumped back in the holding pond for storage or to be re-used as process water. The water quality of this discharge met all applicable permit requirements and was of appropriate quality to be released to the environment



OUR COMMUNITIES

- Agnico Eagle Mexico was recognized for the eighth consecutive year by the Chihuahuan business foundation "Fundación del Empresariado Chihuahuense A.C." with an award of distinction for being a "Socially Responsible Company" in 2015.
- We signed an Inuit Impact and Benefit Agreement with the Kivalliq Inuit Association in 2015, for the Meliadine project in Nunavut.
- Agnico Eagle pledged \$1 million to the Historic Cobalt Legacy Fund. The Legacy Fund will be used to help preserve the Town of Cobalt's historical mining past as well as its cultural heritage.
- Agnico Eagle was awarded the top prize in the category of Sustainable Development at the 26th Annual Gala of Elites hosted by the Central-Abitibi Chamber of Commerce and Industry. At the same gala, Agnico Eagle was also recognized for innovation in the implementation of a cooling system at our deep LaRonde mine.
- In 2015 we implemented an Aboriginal Engagement Policy for all of our Canadian operations.



AGNICO EAGLE NET INCOME

\$24.6 MILLION

5TH STRAIGHT YEAR REPORTED RECORD ANNUAL GOLD PRODUCTION

IN 2015 AGNICO EAGLE PAID

\$283 MILLION IN TAXES, ROYALTIES AND FEES

IN 2015 AGNICO EAGLE PAID

\$323 MILLION IN GLOBAL EMPLOYEE COMPENSATION

IN 2015 AGNICO EAGLE SPENT

\$535 MILLION ON THE PROCUREMENT OF LOCAL GOODS AND SERVICES

57% PERCENTAGE OF LOCAL PROCUREMENT FROM TOTAL PROCUREMENT SPENDING



HEALTH AND SAFETY

TO ACHIEVE A SAFE AND HEALTHY WORKPLACE, WE:

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

In 2015, no fatal accidents occurred and our combined LTA and restricted work frequency rate was 1.23 – a 17% reduction from the previous year's performance and substantially below our target rate of 1.5.

This is the sixth year in a row we have posted our lowest ever lost time and restricted work frequency rate. The 2015 figure reflects a total of 92 accidents, which resulted in either lost-time (33 accidents where the employees could not return to work immediately) or restricted work assignments (59 accidents where the employees continued to work but not in their regular job). In 2015, as we continued toward our goal of zero harm, we achieved 16 weeks in which no lost-time accident or restricted work cases were reported at any of our operations, as compared to 7 weeks in 2014.

During the year, we provided extensive health and safety training to our employees and all supervisory levels. We use the "supervision formula"

and its main tool – the work card – which engages everyone in active safety leadership with the help of their supervisors and colleagues. This approach encourages employees to look after their own safety and that of the people around them. It also encourages safety planning discussions and follow-ups.

As part of our RMMS, we created Critical Safety Procedures, which included vehicle safety, confined spaces and working at height. These procedures are the minimum standard that each Agnico Eagle site must comply with, above and beyond any local regulations. Each site also created an action plan to manage their "high" and "very high" risks, which are linked to their risk assessment in our RMMS.

During the year, external third-party experts audited our major charter flight providers in order to ensure we are achieving high safety standards in the transportation of our employees.

BUILDING EMPLOYEE READINESS

Mining activities can be high risk with potential for accidents to happen. We want our mine rescue teams to be the best they can be: being the best can save lives.

When they do occur, each mine has a highly trained team of mine rescue personnel ready to respond. Mock training exercises are held regularly and once a year, competitions are held in each mining region.

In 2015, our Goldex Mine Rescue team captured the overall title of Provincial Champions in Quebec and the ninth win overall for our Quebec-based mines. The Meadowbank Mine Rescue team took home the top honour in the Surface Obstacle-Extrication event during the 58th Annual Mine Rescue Championship in Yellowknife.

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

2015 Performance: Health and Safety

WORKING SAFELY

The Quebec Mining Association recognized 23 supervisors from the LaRonde, Lapa and Goldex mines for achieving more than 50,000 hours without any compensable accidents on their work teams from July 1, 2014 to June 30, 2015. Eight of our supervisors were also recognized for achieving 100,000 to 250,000 hours without any compensable accidents during the same time period.

ACTING RESPONSIBLY

In order to mine responsibly, it is essential to have the tools and instruments in place to accurately predict rock movements and prepare for seismic events. In September, the geotechnical engineering group at Meadowbank mine successfully did just that, predicting in advance a 9,200 tonne rock fall on the pit wall.

The fall was anticipated up to three days before the actual collapse, based on sub-millimetric movements visible with the mine's radar monitoring system. As more data came in, the geotechnical engineering group was able to provide a rough estimate for the timing of the rock fall of between 4:00 and 4:30 p.m. The rock fall actually occurred at 4:31 p.m., highlighting the increased understanding of rock fall mechanisms at the mine.

On the day of the predicted rock fall, equipment and workers were moved out of an increased safety radius, and the geotechnical engineering group filmed and witnessed the rock fall – a first for Meadowbank and for Agnico Eagle.



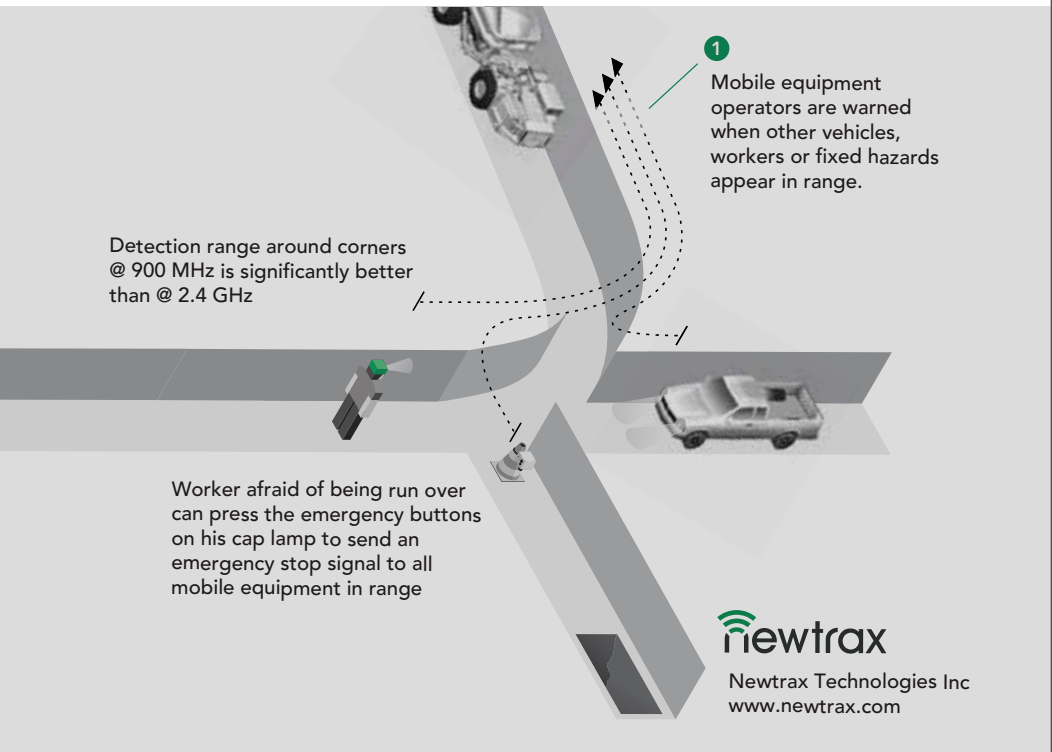
IMPROVING UNDERGROUND PEDESTRIAN SAFETY

The ultimate safety goal for any mining company is achieving a zero-incident work environment. The industry has made great strides in improving its performance by assessing risks, measuring performance, training employees, rewarding achievement and adopting best practices.

One issue that has consistently been ranked as a major risk by our industry and our own operations is the potential for collisions between underground mobile equipment and pedestrians. In 2015, our Goldex mine piloted a new underground safety monitoring system – MineProx™ by Newtrax – to test its ability to improve the detection of people working in blind spots, enhance operator situational awareness and contribute to a safer workplace.

"We decided to test this system after we experienced several near miss situations between mobile equipment and pedestrians across our mine sites," says Dany Cloutier, Goldex's Health and Safety Advisor. "Goldex was mandated to carry out the pilot and share our findings with all Agnico Eagle mines – to see if it is a good solution to this problem."

MineProx™ is a proximity warning and collision avoidance system specially designed for underground hard rock mines. It uses radio frequencies (RF) to detect individuals, vehicles and hazards underground, using a vehicle proximity transceiver–dashboard display panel; cap lamps with RF badges that emit signals; and fixed hazard beacons.



"We conducted a series of tests to evaluate MineProx's effectiveness including fixed hazard detection and emergency stop response, parked vehicle detection, signal distance, nuisance alarm, and proximity warning – that is, its ability to detect individuals working in blindspots and around corners."

When an operator receives advance warning of a vehicle or person's presence he can slow down or stop the vehicle as required. It is strictly a decision support tool for the operator – in no circumstances does the system take control of the vehicle. A pedestrian concerned about getting hit can also push the emergency button on his cap lamp to send an emergency stop signal to all operators in the area. This can also be used as a signal in case of mine evacuation.

According to Guillaume Lachapelle, Agnico Eagle's Corporate Director of Health, Safety and Security, "This is consistently cited as a high risk in our risk register and in our ongoing safety analysis. We already have training, procedures, processes and rules to avoid these situations, but we decided to go one step further. The bottom line is we need to ensure it can detect people and vehicles in different situations and configurations in order to improve underground pedestrian safety.

We are reviewing the test results to date and we anticipate making a decision later in 2016 on whether to implement the system over the next few years across Agnico Eagle," Guillaume concludes.



THE ENVIRONMENT

WE AIM TO MINIMIZE THE EFFECTS OF OUR OPERATIONS ON THE ENVIRONMENT AND TO MAINTAIN ITS VIABILITY AND DIVERSITY. TO ACHIEVE THIS, WE:

- **minimize the** generation of waste and ensure its proper disposal;
- **manage tailings, waste rock and overburden** to ensure environmental protection;
- **implement measures** to conserve natural resources such as energy and water;
- **implement measures to reduce** emissions to air, water and land, and to minimize our footprint;
- **implement measures to reduce** our greenhouse gas emissions and 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.

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 total electricity consumption from the grid increased by 10% to 901 gigawatt hours (GWh) in 2015 from 819 GWh in 2014. This increase was mostly due to increased production as a result of completion of the mill expansion project at Kittila.

Our total electricity production decreased by 6% to 148 GWh in 2015 from 157 GWh in 2014. The construction of an electrical power line to Creston Mascota in 2014 has limited the need for electricity production on-site to periods when the regional electrical grid is down. Pinos Altos/Mascota therefore reduced its electricity production from 2.6 GWh in 2014 to 0.36 GWh in 2015.

Overall, the total amount of electricity used both from external grids and generated on-site increased by approximately 7%, from 976 GWh in 2014 to 1,049 GWh in 2015. This overall increase can be attributed to increased production and development at our various mines.

Total diesel fuel consumption increased to 112.6 million litres (ML) in 2015 from 107.1 ML in 2014. Of that quantity, 69.2 ML (61%) were used for mining equipment, 41.1 ML (37%) were used for power generation, and 2.1 ML (2%) were for other uses.

Among the reasons for this increase, La India's diesel fuel consumption for mining equipment totalled 9.1 ML, representing a 2.4 ML increase over the previous year, as the mine was still ramping up and stabilizing its production. Goldex also increased its diesel consumption by 800,000 litres due to increased demand from its mining fleet, following increased production rates and the development of the Deep mining project.

Despite this overall increase, diesel fuel usage per tonne of ore processed fell by 3% to 5.53 litres from 5.68 litres in 2014, demonstrating an improvement in efficiency that can be linked to a more energy efficient use of our equipment.

GREENHOUSE GAS EMISSIONS

We calculate direct and indirect greenhouse gases (GHG) emissions on a monthly basis and report them annually to the Carbon Disclosure Project (CDP) both in tonnes of GHG (CO₂ equivalent) and in intensity, which is the amount of tonnes of GHG (CO₂ equivalent) per tonne of ore processed.

Greenhouse gases were mostly affected by increased mine production at Goldex and La India and the project expansion at La India and Kittila.

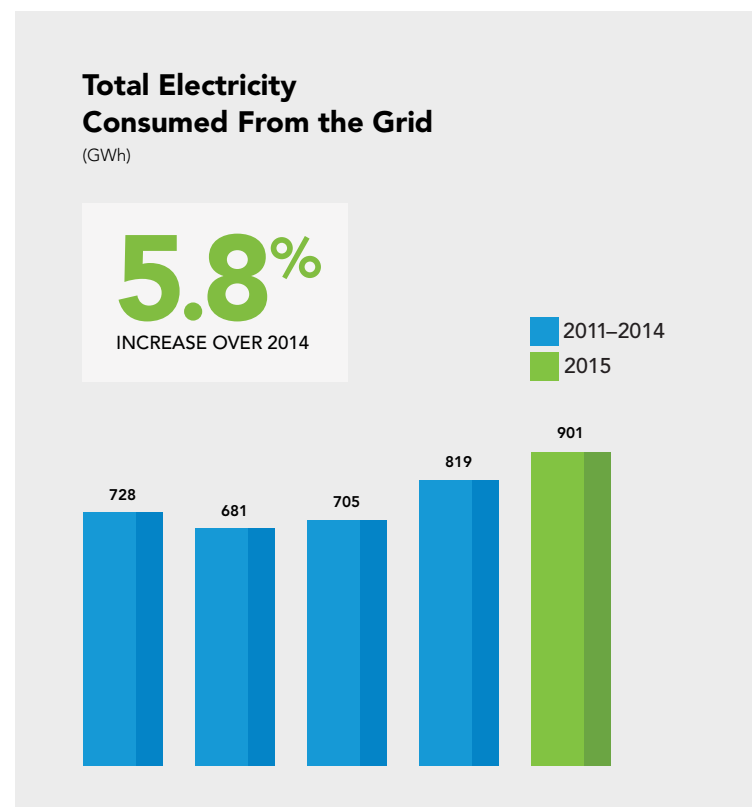
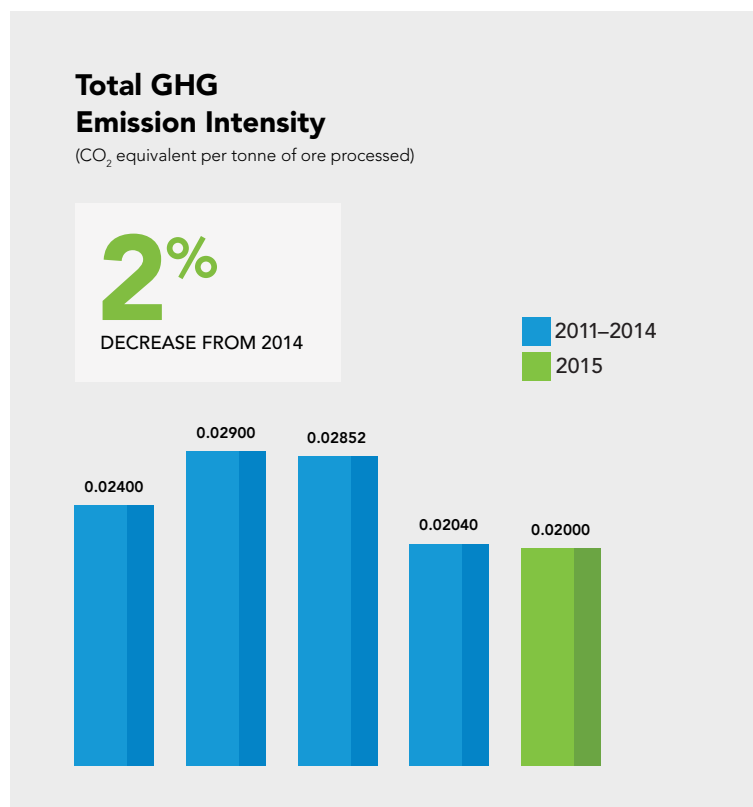
Agnico Eagle's total direct GHG emissions were estimated at 337,190 tonnes (t) of CO₂ equivalent from all sources – including fuel used to generate power, fuel for mining vehicles, natural gas for heating, and explosives used in blasting at our operating mines. This compares to 317,349 t of CO₂ equivalent in 2014.

Our total indirect GHG emissions were approximately 70,281 t of CO₂ equivalent in 2015, as compared to 67,768 t in 2014.

2015 Performance: Environment

Total overall GHG emissions were 407,471 tonnes of CO₂ equivalent in 2015, a 5.8% increase from 385,117 tonnes in 2014.

Despite the increase in total GHG emissions, our average GHG emission intensity (tonnes of CO₂ equivalent per tonne of ore processed) for all of our operating mines decreased by 2% from 0.0204 in 2014 to 0.0200 in 2015. This was due to a combination of more efficient energy use, as well as the use of more hydroelectric power. Meadowbank has the highest intensity values as it has no alternative but to generate all of its own electrical power from diesel fuel. In Finland and Quebec, electrical power comes primarily from hydroelectric sources, which results in significantly lower GHG emissions and, therefore, lower intensity values.



ENSURING THE SAFE OPERATION OF OUR TAILINGS FACILITIES

The mining industry has long been committed to improving the safe operation of its tailings management systems and facilities. In 2014, a tailings dam failure at a mine in British Columbia underscored the need for our industry to remain vigilant and to continuously verify that the appropriate controls are in place at all mine sites managing tailings.

At the request of Agnico Eagle's Board of Directors, Michel Julien, our Vice President of Environment, was asked to conduct a formal external review of our tailings storage facilities in 2015. Five of our six tailings facilities were part of the formal external review process. The sixth facility – Meadowbank – undergoes an external verification by a technical committee each year.

"We are addressing the question of dam safety with the highest priority, as these recent events involving dam failures have impacted the entire industry. We need to strive to continuously improve our designs and to make them more robust and safe. We also must continuously review our management practices to ensure that we are operating and monitoring our sites in the safest manner and to demonstrate that we are doing all that we can to protect public safety and the environment.

Agnico's external review confirmed that our facilities are operating in a safe and responsible manner and that we have the appropriate protocols and systems in

place to effectively manage and mitigate the risks associated with managing our tailings facilities. It also identified areas where we needed improvements or technical clarifications. We are currently reviewing these recommendations and developing our action plans.

Beyond these external reviews, we are committed to taking a hands-on approach to managing our tailings storage facilities at all phases – from development, operation right through to closure. As an example of this commitment, we meet at least annually with our engineering design consultants to review and discuss performances of each facility, so we can quickly address any issues that may arise.

Going forward, our priorities are to continue enhancing our water management and monitoring programs. We want to ensure we are adequately monitoring our structures, collecting and reviewing our data on a timely basis so we can identify any issues before they become problems.

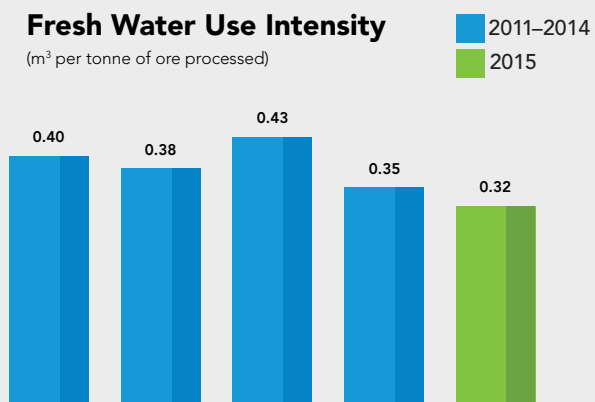
For us, managing mine waste – in a broad sense – is an essential part of our business. It is no longer an afterthought that we can push the ownership to a third-party. We need to be able to identify any issues before they become problems, and we need to have a clear vision and strategy on how we will be managing our mine waste in five to 10 years from now if we want to maintain our social license to operate."

Properly managing the water we use and the effluents

we release to the environment is a significant part of the environmental management programs at all of our mining operations.

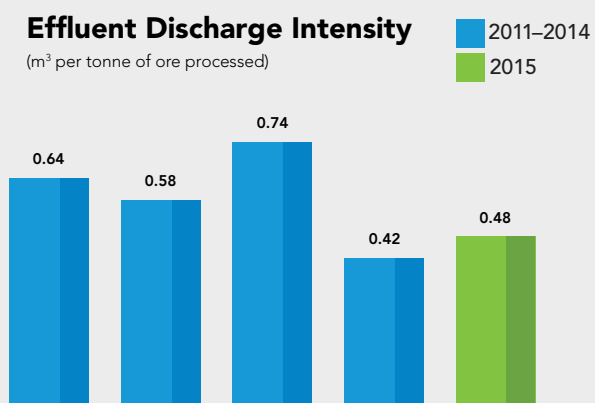
Fresh Water Use Intensity

(m³ per tonne of ore processed)



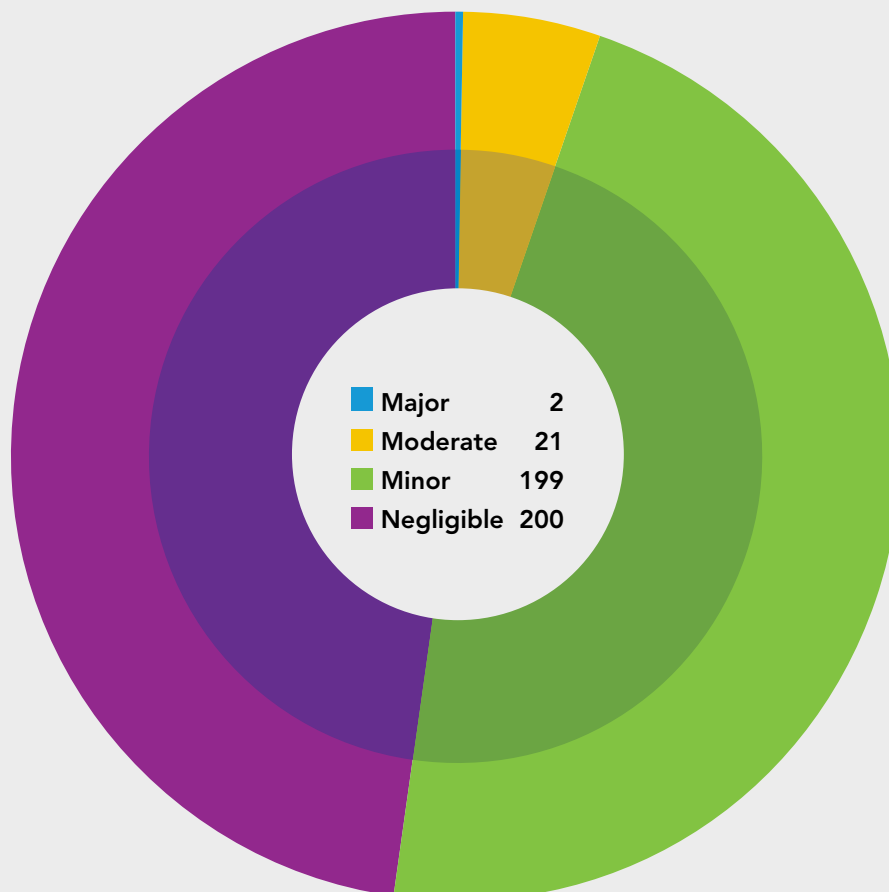
Effluent Discharge Intensity

(m³ per tonne of ore processed)



Reported Environmental Incidents by Category

2015



WATER MANAGEMENT

Our water management strategy begins with our commitment to reducing our fresh water usage intensity by maximizing water reuse in our processes. These different freshwater sources include surface water from bodies of water, groundwater and water from town systems.

In 2015, the total fresh water used by Agnico Eagle from all sources was 6.563 million m³ (Mm³), up a slight 0.3% from 6.541 Mm³ in 2014. It should be noted that the number previously reported in 2014 (6.113 Mm³) has been corrected for the rain water catchment in the Pinos Altos and Creston Mascota heap leach pads.

Our withdrawal and use of fresh water from all sources was 0.32 m³ per tonne of ore processed, down from 0.35 m³ per tonne in 2014, which represents an 8.5% decrease and reflects our continuous improvement efforts with all of our sites undertaking initiatives to reduce their fresh water consumption. The most impressive results were achieved by Meadowbank's water recycling program with over 25% fresh water use reduction between 2014 and 2015.

As part of our water management strategy, our sites strive to minimize the amount of contact water – external water that comes into contact with our activities. To achieve this, wherever possible, we locate our facilities in the most advantageous locations with respect to the watershed and divert as

much as possible, "clean" or precipitation runoff – snowmelt and rainwater – away from our work areas wherever practical. For water that requires treatment – typically mine water and process water – we manage the different sources of water separately. We collect precipitation runoff from impacted lands, monitor its quality and release or treat it as necessary to ensure protection of the surrounding aquatic environment.

EFFLUENT DISCHARGE

In 2015, the total volume of effluent released to the environment from all of our mining operations increased over 2014 levels – from 7.9 million Mm³ to approximately 9.8 Mm³ in 2015, representing a 24% increase. In addition to increased precipitation levels in 2015, a substantial portion of the increase can be attributed to the Vault expansion project at Meadowbank which required additional dewatering. Furthermore, Kittila experienced a higher discharge rate of effluent to the environment for a variety of reasons, including an increase in production rates, a special additional discharge to reduce the volume of water in the system in order to facilitate sealing of the NP3 tailings pond corner following the seepage event and increased dewatering efforts in the underground mine as it expands.

The water discharge intensity increased by 14% in 2015 as compared to 2014 – from 0.42 m³ per tonne of ore processed in 2014 to 0.48 m³ in 2015.



BUILDING A PATH TOWARD SUSTAINABILITY

Our Mexican operations conducted 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 have been planted to date to help the region recover from this devastating forest fire. Pinos Altos maintains a tree nursery on site and it annually harvests more than 100,000 seedlings to meet the needs of its progressive reclamation program.

The LaRonde, Goldex and Pinos Altos mines discharge into small drainage watercourses, none of which are classified as environmentally sensitive; they are not listed as protected waterbodies and do not contain protected (i.e., endangered or threatened) species. The Lapa and Kittila mines discharge into wetland areas, none of which is considered environmentally sensitive or listed as protected wetland. The Meadowbank mine discharges into a relatively large lake, which is not considered environmentally sensitive or listed as a protected waterbody and does not contain protected species.

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

ENVIRONMENTAL INCIDENTS

We believe there are lessons to be learned from each environmental incident, irrespective of its gravity. For that purpose, all environmental incidents are recorded in our Intellex database and, depending on their potential consequences, they are also

investigated and action plans put in place to avoid re-occurrence.

In 2015, 422 environmental incidents were reported as compared to 203 in 2014 and 223 in 2013. This increase can be mainly attributed to a larger emphasis placed on the importance of reporting incidents. The vast majority of our environmental incidents are spills. From the recorded incidents, 410 were spills.

Two category 3 events occurred during the year:

- Two cows that inadvertently accessed our heap leach pad died after ingesting cyanide on August 13th. Following this incident a plan was put in place to construct additional fencing around the heap leach area;
- In September, our Kittila mine observed water seepage coming from the toe of the NP3 dam. Uncontrolled discharge of treated water continued over a period of 36 hours. All water from this discharge was collected and pumped back in the holding pond for storage or to be re-used as process water. The water quality of this discharge met all applicable permit requirements and was of appropriate quality to be released to the environment.



For further details on our environmental performance, please refer to the Sustainability section on the Agnico Eagle website.



Source: Ministry of Forest, Fauna and Parks

PARTNERING TO PROTECT THE ENVIRONMENT

Agnico Eagle and Canadian Malartic are partnering with the Quebec government to protect and save the population of woodland caribou that inhabit the Val-d’Or area of Quebec.

Quebec’s Ministry of Forest, Fauna and Parks is the lead partner in this effort to save the woodland caribou of Val-d’Or. The goal is to ensure that the females are not vulnerable to predation while they give birth and also to help protect the fawns and increase their survival rate. In order to do this the pregnant females are captured and transported into a pen at a local biodiversity reserve where they can give birth without being exposed to predators like wolves. The newborn caribou and their mothers are then released back into their natural habitat a couple of months later.

Since 2014, a total of five fawns were released into their natural habitat with their mothers with the hope that the local population can eventually grow to at least 20 caribou. The long-term goal is to build the herd up to 50 caribou. While the Ministry contributes primarily its expertise and human resources to the initiative, Agnico Eagle has, to date, made annual contributions of \$20,000 to protect and grow the woodland caribou herd of Val-d’Or. Canadian Malartic also added an additional \$30,000 in 2015.



OUR EMPLOYEES

WE AIM TO MAINTAIN A SAFE AND HEALTHY WORKPLACE THAT IS BASED ON MUTUAL RESPECT, FAIRNESS AND INTEGRITY. TO ACHIEVE THIS, WE:

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

What sets Agnico Eagle apart from our peers is our determination to develop and invest in our people. We understand that our ability to execute our business strategy is highly dependent on employing the best people and motivating them to reach their potential. People are the foundation on which our future will be built.

ENGAGING OUR PEOPLE

Our goal is to employ the best people and motivate them to reach their potential. We understand that having a highly engaged workforce results in better business – that is why one of three pillars of our business strategy is dedicated to developing and investing in our People.

We actively measure employee engagement levels in each of our operating regions, and we take specific actions to support and improve our engagement scores. In Mexico, for example, we implemented a coaching program to strengthen the capability of our team to engage with internal stakeholders and we have seen a progressive increase in their engagement scores over the past five years.

Wherever possible, we minimize the use of contractors and consultants by filling vacant and newly created positions with our own team of skilled and talented people. At the Lapa Mine,

for example, where we are preparing for closure in late 2016, we managed our workforce plan to successfully relocate employees to the other mines and to sustain work for our people. This relocation has started in 2015 and will continue through 2016 as the operation is winding down.

At Goldex we have started the implementation of the “Entreprise en Santé” standard and are now offering some health-related activities such as a seminar on managing stress.

TRAINING AND DEVELOPMENT OPPORTUNITIES

We want to ensure our employees have the tools and skills they need to perform their jobs efficiently and safely and to achieve their full potential. We continue to provide training that enhances employees’ personal and career development opportunities. We place a particular emphasis on health and safety training, to ensure that our employees are achieving Agnico Eagle’s workplace health and safety standards.

Our exploration employees, for example, receive regular first-aid training so they can take appropriate actions in the event of an accident in the field.

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

2015 Performance: Our Employees

MAXIMIZING LOCAL EMPLOYMENT

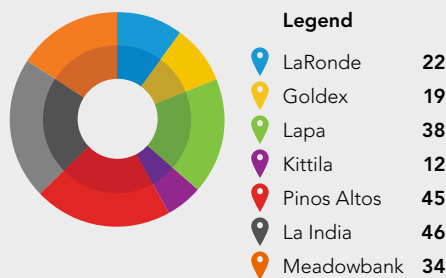
Our goal is to hire 100% of our workforce, including our management teams, directly from the local region in which each of our global operations is located.

At Pinos Altos, for example, 100% of the workforce is from Mexico. The majority of people are hired from northern Mexico, with 74% of the workforce at Pinos Altos and 55% at La India coming from the northern states of Chihuahua, Sonora and Sinaloa – most of whom are drawn directly from local communities within a 10-kilometre radius of the mine.

In northern Canada, we remain focused on creating sustainable jobs and careers in mining for the Inuit population. We have development work readiness programs for new recruits and career path planning programs for our Inuit workforce – a key factor in the training component of the IIBA for the Meliadine project. Approximately 35% of our Meadowbank mine workforce is drawn from the Kivalliq region of Nunavut.

We have an overall objective of achieving a 50 % Inuit workforce participation rate across all of our Nunavut operations.

Average Hours of Training Per Employee



Total Workforce by Region



31

2015 AVERAGE HOURS PER EMPLOYEE

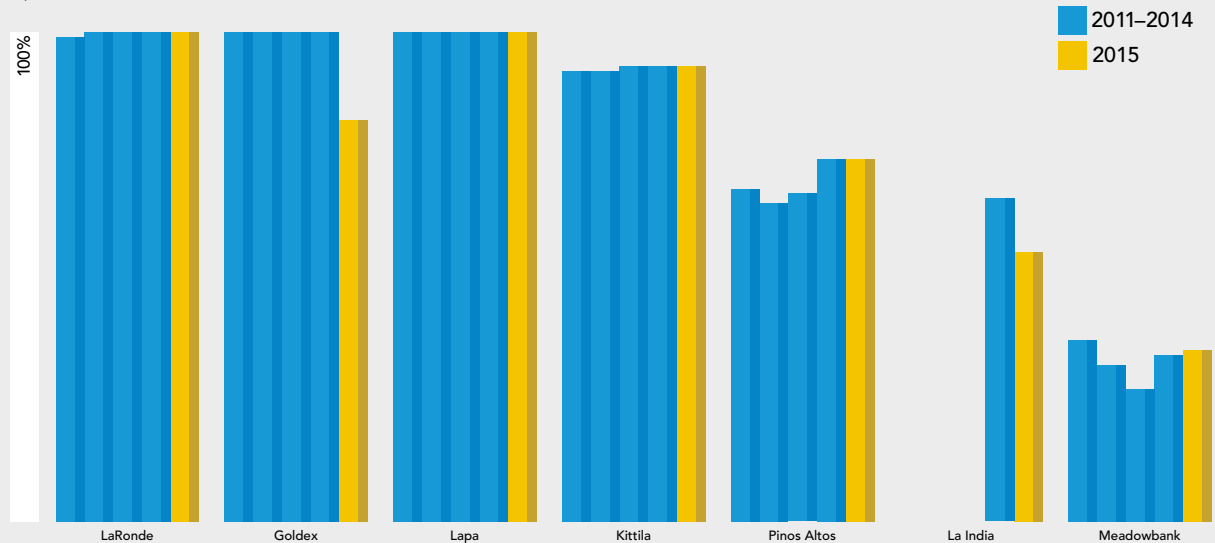
6,710*

2015 TOTAL

*Excluding Canadian Malartic

2015 Workforce Hired from the Local Community

(percent)



EMPLOYEE VALUES AND COMMITMENT



Awards + Certifications

The Paul Penna Award:

The Paul Penna Award is awarded annually to Agnico Eagle employees who best exemplify the philosophies of our founder. Through community involvement, dedication and hard work, Paul Penna left an enormous impact on the communities he was part of, and helped change the lives of many people, one person at a time. These awards have been established to ensure that his values continue to play a major role in the identity of Agnico Eagle as a company, as well as allow the legacy of Mr. Penna to live on through the positive initiatives laid forth by our employees.

The 2015 Paul Penna Award was given to Anival Lopez, Human Resources Superintendent at our Creston Mascota mine in Mexico. Anival was honoured for his work with local youth and the elderly. In particular, his efforts in developing a preparatory school, the College Octavio Paz, Civil Association, were acknowledged for providing teenagers in Chihuahua with an opportunity to pursue higher-level academic schooling. The College has already transformed the lives of more than 300 young people and enabled them to be better prepared to face the future.

Agnico Eagle donated C\$10,000 to the community initiative on behalf of Anival. We also donated C\$2,500 to the community initiative or charity of choice on behalf of the other four nominees across each of our operating regions.

Agnico Eagle's Chairman of the Board, James Nasso (right) presents the Paul Penna Award to Anival Lopez (left) in recognition of his spirit of caring and dedication in providing academic opportunities to the youth of Chihuahua.





MAKING IT WORK

The mining industry plays a leading role in opening up remote areas to socio-economic development. Mining brings with it a wide range of benefits to these regions including jobs, wages, skills training and long-needed local infrastructure.

But it can also bring personal challenges. Employees typically work on a Fly-In Fly-Out (FIFO) basis at these remote locations, often working 12 hour shifts for 14 days in a row. For most Nunavut Inuit, the schedule has proven to be particularly disruptive and stressful to their family life, leading to higher turnover and absenteeism rates.

In 2015, Meadowbank completed the rollout of a pilot program – **Making it Work** – in conjunction with the Kivalliq Mine Training Society (KMTS), to help Inuit couples cope with the impact of FIFO mining on their families. Krystal Mayrand, our Nunavut Superintendent of Human Resources, and her colleague Patrick Roy, Nunavut Training General Supervisor, describe some of the learnings and feedback they gathered to date on the program.

“Over the years, we have invested substantial resources in developing the competencies of our people. But despite our best efforts, we still noticed a lot of absenteeism and turnover in our Inuit workforce at Meadowbank,” says Krystal.

KMTS sat down with our employees’ partners, mainly wives, to better understand the challenges the FIFO lifestyle poses for their families.

Some of the challenges they talked about were:

- Raising children alone for two weeks while your spouse is at work;
- Having to adjust every time your spouse goes away or comes back home;
- Worrying about the partner who is away, and dealing with “gossip rumours” about the site;
- Deciding who manages the family’s money and what it gets spent on;
- The pressure the worker feels on-site, knowing that his partner is at home struggling to cope with all of these issues.

The program is held on-site over a five-day period, and the sessions are run by Inuk facilitators, an Elder, and conducted in Inuktitut. The couples work together on improving their communication, learning how to deal with difficult situations, and sharing their family and financial goals.

According to Patrick, “We delivered three pilot programs in 2015 and we’re still receiving feedback, adjusting content and measuring the overall impact on our turnover and absenteeism rates.”

“But the comments to date have been very encouraging and informally we’re hearing that the families are doing better and feel they have the capacity to resolve any problems that arise in the future,” adds Krystal. “Another benefit of the program is in developing a more engaged Inuit workforce. People who have gone through **Making it Work** become ambassadors for the program and for Agnico Eagle. They understand the substantial investment the company is making in them, in the north and in the northern workforce. It is a living demonstration of our commitment to the ‘family’ pillar of Agnico Eagle’s five corporate pillars.”

In Finland, we participated in a project with Lapland Vocational College which was executed under the authority of Lapland's Centre of Economic Development, Transport and the Environment, where women were specifically trained for positions typically occupied by men.



Diversity at Agnico Eagle

Our Board of Directors and senior management view diversity and inclusion as essential to the growth and success of the Company. In support of this view, we have included a clear statement on the value of diversity in our Sustainable Development policy.

Creating an inclusive environment where the diversity of perspectives, experiences, cultures, genders, age and skills of employees can be leveraged at every level is critical and the Company believes that one of its strengths lies in its ability to leverage the diversity of its employees to drive innovation and to quickly adapt to the ongoing changes in the global market and the gold mining industry. With this in mind, executive management has identified increasing the number of women in leadership positions within the Company as a priority to be achieved by focusing on the preparation and support of women in leadership positions, rather than the attainment of quotas.

In 2015, we participated in a number of industry forums on the subject of women in mining, providing us with insight into the challenges faced by the industry and some best practices in addressing these challenges. We have since partnered with the Mining Industry Human Resources Council on a Gender Equity in Mining (GEM) Project that will identify and work to mitigate the systemic barriers to the participation and advancement of women in the mining industry in Canada. Agnico Eagle has acted as an advisory partner in developing the toolkit and training that will be used to assess and address these barriers, and we have identified an internal Gender Equity Change Agent that will pilot this project in our Northern Operations. We have also continued our efforts to increase the number of women entering our workforce particularly in our professional technical roles.

In 2015, women represented 30% of our hires in this category globally as compared to 19% in 2014 and 9% in 2013. In Finland, we participated in a project with Lapland Vocational College which was executed under the authority of Lapland's Centre of Economic Development, Transport and the Environment, where women were specifically trained for positions typically occupied by men. Agnico participated by providing internship opportunities for women in the program, and subsequently hired four participants to work in our underground operations.

Over the short term, we will take what we have learned from the pilot Gender Equity in Mining (GEM) Project for application in other parts of our business. We will also begin to raise awareness, particularly at our management level on the subject of diversity and gender equity and what we can do internally to promote a more inclusive work experience for everyone.



CREATING ROLE MODELS FOR WOMEN IN MINING

Two women at Agnico Eagle marked significant achievements this year: Louise Grondin received a lifetime achievement award for her efforts in advancing the field of mining and the environment, while Carol Plummer was named to the Top 100 Global Inspirational Women in Mining for 2015.

Louise Grondin, Senior Vice-President, Environment, Sustainable Development and People was this year's recipient of the Frederick W. Firlotte lifetime achievement award in recognition of her insight, vision, commitment

and influence in the field of mining and the environment (in Quebec). The award was presented at the 5th Symposium on Environment and Mines. Later in the year Louise was also recognized as a "Woman of Impact" for her significant contributions to the Canadian Materials, Metallurgy and Mining field and as one of the Top 40 women named by Women in Mining of Canada as the most inspiring women at all levels and all functions of the industry.

Carol Plummer, Vice-President Project Development, Southern Business, was named one of the Top 100 Global Inspirational Women in Mining for 2015 as part of the Women in Mining, United Kingdom's campaign to highlight the many significant contributions of women in the mining community and also to promote the mining sector as a career choice to women in all professions.

With her selection, Carol joins a group of highly qualified and talented professionals that also includes our colleague Louise Grondin, who was honoured in 2013. Carol is a mining engineer and has a career that spans almost 30 years. She has worked as a labourer, equipment operator, supervisor, engineer and manager and is now heading up new projects for our Southern Business.



OUR COMMUNITIES

WE AIM TO CONTRIBUTE TO THE SOCIAL AND ECONOMIC DEVELOPMENT OF THE 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** or any form of forced or compulsory labour is permitted in the workplace;
- **uphold fundamental human rights** and respect cultures, customs and values of all affected by our activities;
- **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, sourcing goods and services locally and employing local people; and
- **provide assurance** that our operations will not support, benefit or contribute to unlawful armed conflict, human rights abuses or breaches of international humanitarian law.

COMMUNITY ENGAGEMENT

In 2015, each of our operations updated their stakeholder mapping exercise, which is used to develop site-specific community engagement plans. The main objective of these plans is to engage in a respectful dialogue with key stakeholders. We want our stakeholders to understand our activities and our priorities, but we also want to know what their concerns are so that we can work together toward a common goal of social acceptability.

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

During the year, we implemented an Aboriginal Engagement Policy for

all of our Canadian operations. The goal of this new Policy is to define the consultation practices and mitigation strategies we will use while engaging with Aboriginal groups impacted by our presence and mineral activities.

During the year, our sites also managed community response mechanisms and participated in Community Liaison Committees. Such mechanisms and committees are now part of our RMMS standard, and we have developed guidelines to help new operations implement these best practices.

BUILDING TRUST AND UNDERSTANDING

Meadowbank offers a unique cross-cultural training program to its employees – bringing people together and sharing knowledge about the three main cultures that coexist at the site. During a recent class Tommy Makkigak, an Inuit participant from Rankin Inlet, taught everyone the traditional way of building an igloo. Tommy recently joined the Site Services Department and is one of the few among our Inuit



employees who has experience in building igloos whenever he goes hunting or ice fishing.

Igloos have played a big role in Inuit culture and way of life. Previously nomadic, the Inuit moved in small family-sized units, traveling with the seasons in pursuit of their food. And, with snow being such an excellent insulator, igloos provided a safe and warm place to rest during poor weather.

The huge igloo took two days to build in extreme cold weather of minus 50°C, and was accessible to all employees at the site until the snow melted – a visible and amazing example of Inuit culture brought to life.

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.

2015 Performance: Our Communities

COMMUNITY AND SECURITY INCIDENTS

The Company routinely audits its internal security protocols and cooperates fully with the local police authorities in Mexico who maintain responsibility for public protection and law enforcement in the areas surrounding our operations. A security incident requiring local Ocampo Municipal police intervention occurred at Pinos Altos and Creston Mascota in September 2015. Mine employees and mine production were not affected by this incident which remains subject to investigation by Chihuahua police.

In August, a small group of employees and residents organized a road-block at the entrance to the Pinos Altos mine which was peacefully removed after discussions with Pinos Altos management. The Company has reaffirmed its long standing commitment to offer priority

hiring preference to qualified local candidates and has recently modified its internal transfer policies to provide increased opportunity for filling skilled positions with on-the-job training for local candidates.

BUILDING RELATIONSHIPS WITH OUR NEIGHBOURS

We have an open door policy for both our employees and our neighbours. In 2015, we continued this tradition by hosting Open Houses at our Goldex, Akasaba, Meadowbank and Kittila sites.

In September, over 150 people attended the Goldex Open House to learn more about the mine operations. The visitors – including neighbours, family members and key stakeholders – first toured underground then returned to surface to visit the mill, the offices and the infirmary.

On surface, Goldex employees answered questions and explained the different aspects of mining such as geology, mining methods, and the health, safety and well-being of employees. The biggest hit was the multimedia component of the Open House. Visitors could be photographed in the middle of Agnico Eagle's mining operations without physically being there through the magic of a green-screen photo technology. They were also able to try out new technology in the form of "Google glasses" which were set up to display 360-degree images of the Goldex mine, making viewers feel like they were actually walking through the mine.



BUILDING LOCAL CAPACITY IN OUR COMMUNITIES

Mining companies often operate in remote, rural and developing regions of the world that have high unemployment rates and little infrastructure.

In such circumstances, community relations is conducted at a very grassroots level, working to address the most pressing local needs – such as keeping children in local schools for as long as possible.

The long-term goal is to build community capacity through support for various educational, social, health and economic development initiatives which will endure well beyond the life of the mine.

According to Gildardo Montenegro, Administrative Manager at La India, the key to effective community relations is listening closely to understand the needs of each community.

"Every community is different. And because of that, community relations programs must be very different and dynamic too. But the common thread is the need to listen closely to understand each community's priorities and how we can work together to address them.

Over my career I have come to understand that engaging with the community means focusing on what the community needs rather than what your business requires. It means listening closely to their concerns in order to generate a true sense of community belonging.

In 2015, we formalized La India's community relations program. We contacted key people in the community and engaged with them, to develop specific strategies to address local needs.

They told us the top community priority is providing a good education to local youth. They wanted to give students who live away from "the big city" the chance to study – in decent conditions – and complete higher levels of education. In conjunction with local leaders and teachers, we developed a strategy and action plan to help make this happen.

One of our key projects was the restoration of a school in Matarachi. We developed a project plan with school officials and teachers to fix the building, install new lights and solar energy equipment, and bring in new classroom computers.

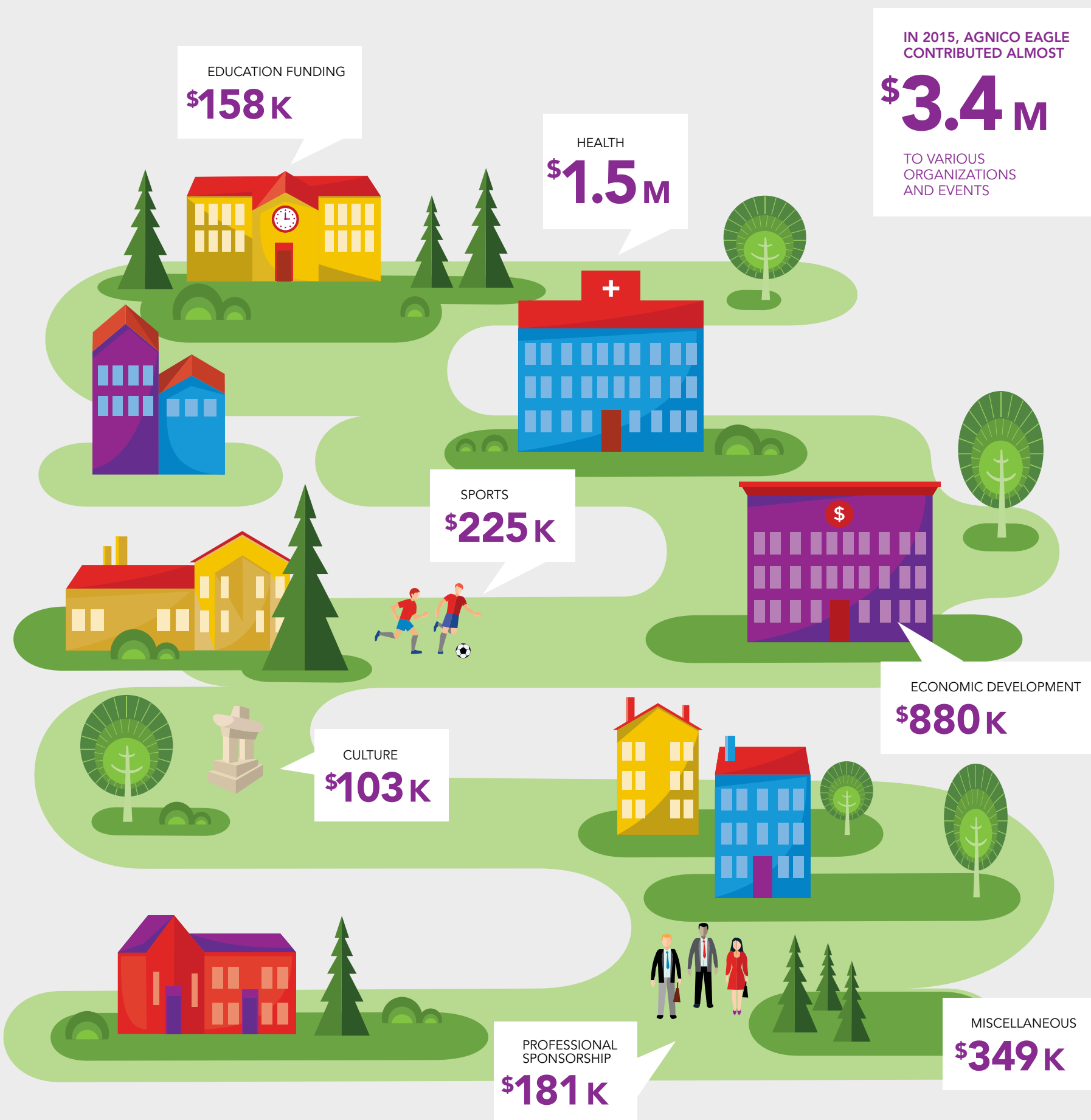
The result? The teachers tell us that 50% of the students who contemplated leaving have either stayed or come back to the school. This has helped keep families together and avoided generating other social problems in the community.

We have also encouraged students to pursue higher education – in 2015 we provided scholarship and financial support to nine local students. We are helping to engage students and keep them occupied in other ways by hosting summer and sports camps; involving them in restoring a local playground; and, establishing cultural, musical and reading programs.

While we want to ensure the benefits of mining flow to our operating communities, there are also benefits that flow to the business from strengthening our community relations. The bottom line is that community relations is a business priority for Agnico Eagle. I think that marks us as a different kind of company, a better company."

2015 Performance: Our Communities

GLOBAL COMMUNITY INVESTMENT



INVESTING IN OUR COMMUNITIES

Our community investment program continued to target initiatives that enable each of our operating communities to benefit from economic development in their region, even after mining ceases. Our goal is to provide both Agnico Eagle and our host communities with optimum returns on our investments in strategic health, education and capacity-building initiatives. In 2015, we invested almost \$3.4 million in our local communities. Since 2009, Agnico Eagle's community investments have totalled more than \$21million.

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

- Wages and salaries paid to 6,710 employees and contractors worldwide;
- Job creation through our various operations and projects;
- Payments to suppliers of goods and services;
- Indirect job creation and small business development in surrounding communities and towns; and,
- Upgrading of local infrastructure.



ECONOMIC VALUE

We believe the biggest contribution we can make to the wellbeing of the communities in which we operate is through the creation of long-term employment opportunities and the provision of economic development opportunities.

ECONOMIC VALUE

In 2015, Agnico Eagle provided over \$323 million in wages and benefits to our global workforce and paid \$283 million in taxes, royalties and fees to all levels of government (including Indigenous groups). Our mines spent just over \$535 million on the procurement of local goods and services.

GENERATING EMPLOYMENT AND ECONOMIC BENEFITS

In 2015, Agnico Eagle paid \$323 million in global employee compensation. Through the payment of wages and benefits, we contributed approximately \$255 million to the economy of Canada, \$30 million to the economy of Finland, and approximately \$38 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 2014, the Canadian mining industry adopted disclosure of payments to government as best practice. Agnico Eagle is a strong supporter of this initiative, which is in direct response to increased public demand for more transparency. We will continue to increase our level of disclosure on tax payments to governments in order to highlight our economic contribution to public finances. The Canadian Extractive Sector Transparency Measures Act, enacted on December 16, 2014, and brought into force on June 1, 2015, entrenched this initiative in the Canadian regulatory requirements.

In 2015, we made payments in taxes, royalties and fees to governments at all levels (including Indigenous groups) totaling \$283 million. We contributed approximately \$129 million in taxes and royalties to Quebec, Canada (since 2010 we have paid a total of \$138 million in royalties to Quebec); \$48 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); \$26 million in taxes and royalties to Finland; and, approximately \$61 million in taxes and royalties to Mexico. These payments to governments comprised 8.4% of our gross revenue in 2015.

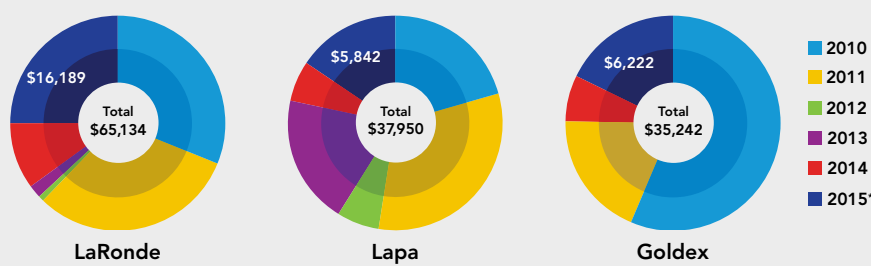
BUYING LOCALLY

Agnico Eagle strives, where practical, to buy from locally-based suppliers as a way of supporting our communities, stimulating the local economy and minimizing the environmental impact of transporting materials from distant locations to our sites. Local suppliers must still meet the same criteria that all potential suppliers must meet in order to do business with our Company. In 2015, our mines spent just over \$535 million on the procurement of local goods and services. This represents 57% of our total procurement spending in 2015.

2015 Performance: Economic Value

\$138
MILLION IN ROYALTIES PAID TO THE GOVERNMENT OF QUEBEC SINCE 2010

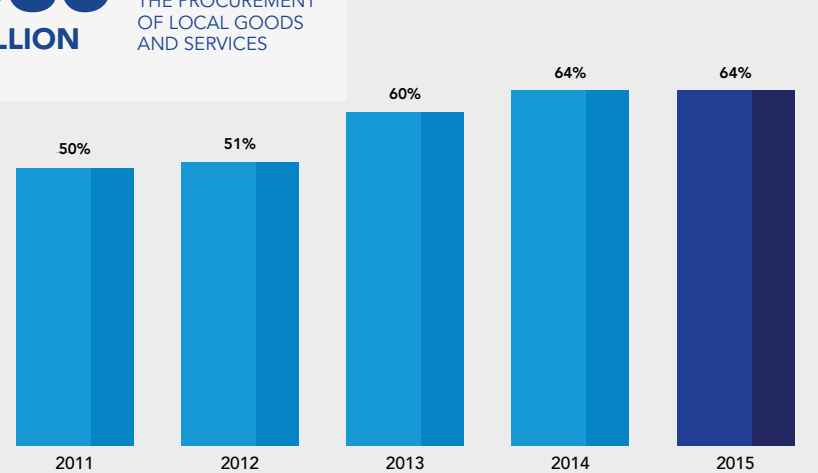
Quebec Royalties Paid on a Mine-by-Mine Basis since 2010 (\$000s)



* 2015 Quebec royalties are estimated as the final amounts are not completed until June 2016.

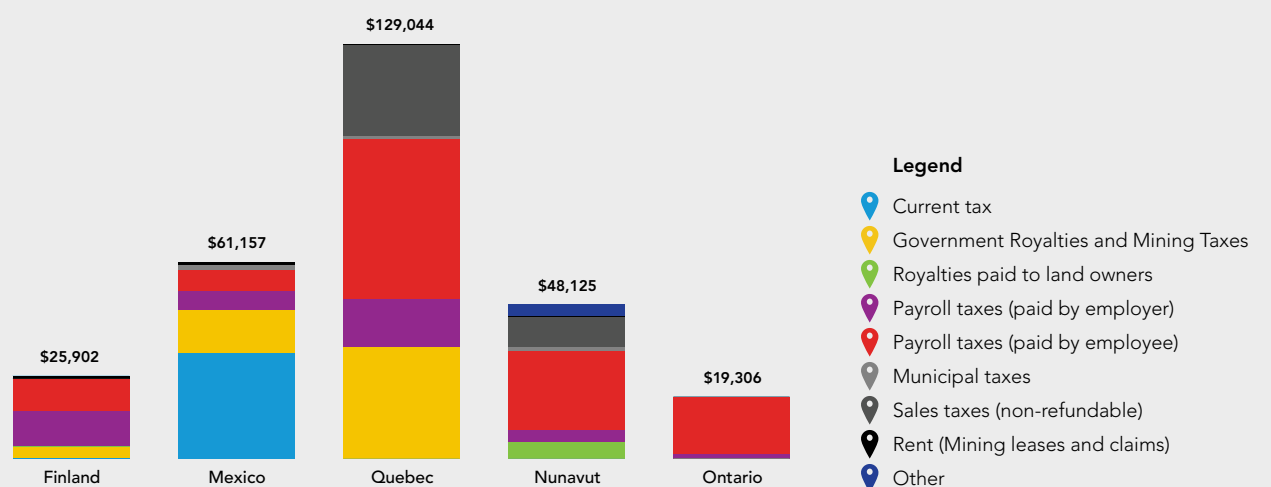
\$535
MILLION SPENT IN 2015 ON THE PROCUREMENT OF LOCAL GOODS AND SERVICES

Proportion of Spending on Locally Based Suppliers



2015 Payments to Governments (\$000s)

\$283
MILLION IN PAYMENTS



PROGRESS THROUGH BETTER UNDERSTANDING

The mining industry has negotiated numerous IBAs with First Nations – typically addressing the protection of Indigenous culture and the environment; and providing for financial compensation, and Indigenous training, employment and contracting. But what has become clear over the years is that building trust, transparency and understanding are key to building a better future for First Nations.

Larry Connell, Agnico Eagle’s Director of Regulatory Affairs, was part of a team that successfully concluded negotiations in 2015 with the Kivalliq Inuit Association (KIA) on the Inuit Impact Benefit Agreement (IIBA) for the Meliadine gold project. Here, Larry reflects on the new mindset both parties brought to the negotiating table.

“This Agreement is a substantial step forward in thinking for all of us. It reflects what both parties bring to the table – Agnico brings the mining expertise, while the Inuit bring the land and the mineral rights. It benefits both parties, but only if Meliadine is developed into a mine and actually generates revenue. If Meliadine does move forward, it could potentially

generate over \$80 million in cash flow for the KIA over the life of the mine.

The IIBA also outlines a formal process to set an annual Inuit employment goal target, reflecting current employment needs and market conditions in the region. We have an overarching objective of achieving a 50% Inuit workforce participation rate across all of our Nunavut operations. It will require significant effort and resources to make that happen – for example, over \$6 million a year in training programs, and a determination to eliminate barriers to entering or staying in the workforce – but we’re challenging ourselves to step up and make it happen.

We’re also giving a hand up to local businesses who want to compete for contracts at Meliadine. We’ve established a 15-point preference program that awards local businesses preference based on, for example, Inuit ownership, Inuit profit participation, and the level of Inuit participation in the contractor’s workforce.

Our success in concluding these negotiations comes from hard-won insights we have gained from the Meadowbank IIBA and eight years of working in the North.

We’ve learned that transparency helps build trust and it is best to put everything on the table during negotiations. That means integrating the Inuit more fully into our business and into the tough realities of mining in the North. In the past, IIBA agreements have been secret documents but the Meliadine IIBA is publicly available to anyone.

Our negotiating team included the senior mine operating staff who will have to deliver on the commitments

contained in the Agreement. This helps build personal relationships and trust, and hopefully long-term partnerships with the Inuit. You’ve got to develop those day-to-day relationships, because they will pay off in the end.

We are proud that our Meadowbank operations have already attained a 35% Inuit workforce participation rate, generating \$20 million in annual wage income for KIA communities. And that 40% of our local purchases go to Inuit companies. The Meliadine Agreement is another step forward in sharing the benefits of economic development with the region.

By achieving our Inuit training and employment goals and helping to break down barriers to Inuit participation in the workforce – be that language skills, childcare issues, or helping to improve educational outcomes in Nunavut – we are helping our employees build a solid future for themselves and their families. And a solid foundation for the Inuit in Nunavut.”

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 has a Code of Business Conduct and Ethics that provides a framework for directors, officers and employees on the conduct and ethical decision-making that is integral to their work. We have also adopted a Code of Business Ethics for consultants and contractors and a Supplier Code of Conduct. The Audit Committee of the Board of Directors is responsible for monitoring compliance with these Codes. We have also established a toll-free "whistleblower" ethics hotline for anonymous reporting of any suspected violations of the Code of Business Conduct and Ethics, including, but not limited to, concerns regarding accounting, internal accounting controls or other auditing matters, Code of Conduct violations, ethical conflicts, environmental issues and health and safety issues. Each quarter, a report is submitted to the Audit Committee outlining the number of complaints received since the previous report.

We have also adopted an Anti-Corruption and Anti-Bribery Policy. Additionally, our activities are audited against the Conflict-Free Gold Standard of the WGC.

Our Sustainable Development Policy was updated in 2013 to integrate our

commitments to our employees and communities, as well as to our health, safety and environmental performance. In April 2015, we adopted an Aboriginal Engagement Policy applicable in Canada. It commits Agnico Eagle to engaging in respectful dialogue with aboriginal groups to establish mutually beneficial relationships.

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 are integrated into the day-to-day management of our business at the operational level. Our operations identify, prioritize, monitor, manage and mitigate sustainability risks on

a daily basis. Issues are discussed during bi-weekly operational conference calls where all mine managers review the safety and environmental highlights, as well as their main community engagement and human resources activities.

Problems and solutions are shared amongst operations, contributing to the continuous improvement of our performance.

Sustainability matters are also included in the monthly operational report provided to management. These reports include key performance indicators for health and safety and for water and energy use, and greenhouse gas emissions. During the Quarterly Business Review meetings, which involve the operations managers and executive team, these issues are typically presented and discussed.

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

Management Diversity: Our Board consists of 12 directors, of which all but one director are independent. The Board of Directors recognizes that diversity is important to ensuring that the Board as a whole possesses the qualities, attributes, experience and

skills to effectively oversee the strategic direction and management of Agnico Eagle. It recognizes and embraces the benefits of having a diverse Board of Directors, and has identified diversity within the Board as an essential element in attracting high calibre directors and maintaining a high-functioning Board. It considers diversity to include different genders, ages, cultural backgrounds, races/ethnicities, geographic areas and other characteristics of its stakeholders and the communities in which Agnico Eagle is present and conducts its business.

The Board of Directors does not set any fixed percentages for any specific selection criteria as it believes all factors should be considered when assessing and determining the merits of an individual director and the composition of a high-functioning Board. The proportion of women is currently 27% of the non-executive directors and the proportion of non-resident Canadians is currently 27% of the non-executive directors.

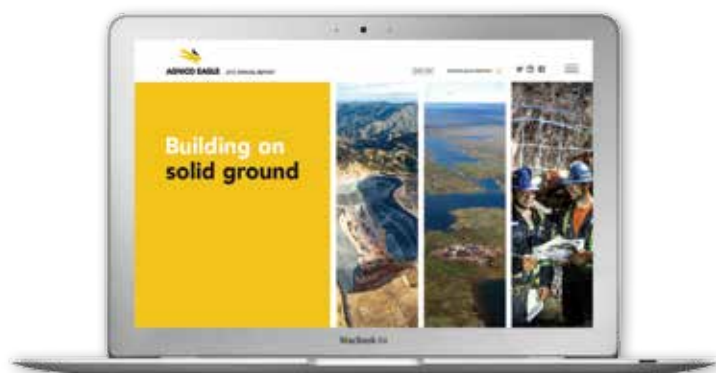
Stakeholder Advisory Committee
We have established a Stakeholder Advisory Committee (SAC) to complement, and help us make strategic links to, our existing local stakeholder engagement activities. This approach also supports our global efforts to engage with our stakeholders on a regular basis and in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



Keep up to date on Agnico Eagle news.



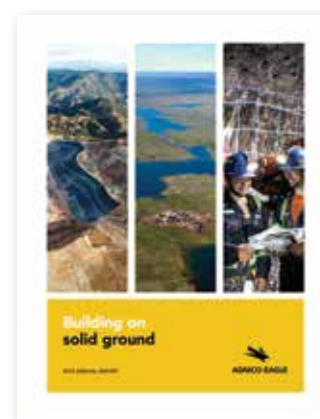
AGNICO EAGLE



ir.agnicoeagle.com/English/investor-relations



agnicoeagle.com/en/Sustainability



Annual Report 2015



Trust Respect Equality Family Responsibility

AGNICO EAGLE'S FIVE PILLARS

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



This report was printed using vegetable-based ink on Rolland Enviro 100 Satin which is Ecologo, Processed Chlorine Free (PCF) and Forest Stewardship Council (FSC)® certified. It is manufactured in Canada from 100% post-consumer recycled material from North American recycling programs using biogas energy (methane from a landfill site).



Agnico Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario, Canada M5C 2Y7
agnicoeagle.com