



AGNICO EAGLE

Agnico Eagle Mines Limited World Gold Council – Conflict-Free Gold Standard Certification Report

Executive Summary

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

Background

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

This report covers all gold or gold-bearing materials dispatched by Agnico for the calendar year ended December 31, 2018 and has been evaluated by an independent assurance provider. This report will be updated annually, or as required by the Standard.

Responsibility for Conformance

The Senior Vice-President, Environment, Sustainable Development and People, and the Vice-President Health, Safety and Community are directly responsible for corporate oversight and implementation of the Standard, and environment and community engagement. On a quarterly basis, these employees report performance and progress updates to the Health, Safety, Environment and Sustainable Development Committee (“HSESD Committee”) of the Board of Directors. The HSESD Committee advises and makes recommendations in accordance with Agnico’s Sustainable Development Policy to the Board of Directors in its oversight role with respect to Agnico’s health and safety, environmental and corporate social responsibility strategy, policies, programs and performance.

Additional information relating to Agnico's standards and governance may be found on our corporate website at:

<https://www.agnicoeagle.com/English/sustainability/standards/default.aspx>

<https://www.agnicoeagle.com/English/about-agnico/governance/default.aspx>

Sustainability performance, which includes activities pertaining to conformance with the Standard, is presented to the HSESD Committee of the Board of Directors at each quarterly Board meeting. The HSESD Committee Charter can be found on the Agnico Eagle website.

Reporting Boundary

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

Agnico Eagle Mines' Evaluation

For the purposes of the application of Part A of the Standard, Agnico reviewed the areas of operation and the location of our mines with reference to the Heidelberg Institute's Conflict Barometer, and the UN International, the African Union (the Department of Peace and Security), the OAS (Organization of American States) and EU Sanctions. We concluded based on our assessment that Agnico Eagle's operations do not take place in regions that are subject to International Sanctions.

However, we operate three mines in Mexico: Pinos Altos and Creston Mascota, which are in the state of Chihuahua, and La India, which is in the state of Sonora. The 2018 Heidelberg Conflict Barometer, which was issued in February 2019, indicates that at a national level, Mexico is classified at Level 5 ("War") and has been classified as such since 2013.

At the subnational level, the maps published by the Institute show the states in which Agnico operates as being at Level 3 ("violent crisis"), the state of Sonora has seen its intensity level reduced since 2013, when the state was assessed as being at level 4 ("limited war"). Due to the on-going threat associated with drug cartels, which the Institute had classified as being at Level 4 in 2013 to 2015, affecting the states of Chihuahua and Sonora, we have assessed the risk for our operations at this higher level. We continue to monitor the conditions in Mexico and pay close attention to issues relating to security that could affect our operations.

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

Based on the criteria, we completed the assessments required by the Standards for the operations at Pinos Altos, Creston Mascota and La India under Parts B - E. For our operations in Canada, including the Canadian Malartic joint venture, and Finland, we completed the assessment requirements defined under sections D and E of the Standard.

Commitment to Human Rights

Our Board of Directors has made it clear that Agnico will only do business in regions where human rights laws are respected and promoted. As a Canadian company, we maintain our commitment to the Canadian Charter of Rights and Freedoms while operating internationally, ensuring that all our employees are treated with respect and dignity. We have our Sustainable Development Policy and have implemented a comprehensive series of programs of community involvement and relations. As a testament to our work, Agnico Eagle Mexico (Pinos Altos/Creston Mascota) was recognized for the eleventh consecutive year with an award of distinction for being a “Socially Responsible Company” and Agnico Sonora (La India) for the third consecutive year. This award is granted by El Centro Mexicano para la Filantropía (Cemefi) and La Alianza por la Responsabilidad Social Empresarial (AliaRSE)”. Further information can be found at <http://www.cemefi.org/esr/>.

In 2017, AEM formally adopted the Voluntary Principles on Security and Human Rights (VPSHR) and committed to implementing the principles in our operations, development properties and at our closed sites. Established in 2000, the VPSH are a set of principles designed to guide companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights. The first step in the implementation of the principles is to conduct a security and human rights risk assessment. An external audit of the application of the VPSHR at La India mine was carried out in 2018 and recommendations are being implemented. Audits of all other Agnico Eagle sites will be carried out by our internal audit team, starting with Pinos Altos in 2019, given that our Mexican operations are considered a higher priority.

Agnico Eagle does not in any way support or facilitate child labour or forced labour practices. This applies to mining operations, exploration and other development activities in which we are directly or indirectly engaged. It also applies to all outsourced or subcontracted arrangements across the entire supply chain. We do our best to ensure that none of our activities result in direct or indirect support of such practices. We will act to terminate any such arrangement should we become aware that such practices are being supported by one of our outsourced/subcontracted suppliers. The external audit of the Toward Sustainable Mining (TSM) initiative of the Mining Association of Canada (MAC), done every 3 years, now includes a verification of the application of this commitment. Our last TSM external verification, done in the spring of 2018 confirmed that this commitment is met at all our mines (Goldex, LaRonde, Pinos Altos, La India, Meadowbank and Kittila).

Agnico Eagle Mexico (Pinos Altos/Creston Mascota) was again recognized with the Mexico Without Child Labour Award, which is presented annually by the Secretaria del Trabajo y Previsión Social department of the Mexican government. The award recognizes workplaces that design and implement employment practices aimed at preventing and eliminating child labour and protecting its employees and young

workers in Mexico by ensuring that no child labour, or any form of forced or compulsory labour, is permitted in the workplace.

Additional information relating to the standards to which we operate may be found on our corporate website at:

<https://www.agnicoeagle.com/English/sustainability/standards/default.aspx>

Corporate Activities

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

Security

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

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

Payments and Benefits-in-Kind

With reference to the disclosure of payments to governments, we are committed to the principles of transparency and accordingly are fully committed to the requirements outlined under various initiatives to increase this. We report all payments and in-kind benefits in accordance with the Canadian Extractive Sector Transparency Measures Act (ESTMA). The Company's ESTMA report covering payments made in 2017 was issued in May 2018, and is publicly available at Natural Resources Canada and Agnico's websites as follows:

<https://www.agnicoeagle.com/English/sustainability/standards/default.aspx>

<https://www.nrcan.gc.ca/mining-materials/estma/18198>

The 2018 disclosure of payments under ESTMA will be published during the second quarter of 2019.

Engagement, Complaints and Grievances

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

In addition to the whistleblower policy and hotline, Agnico's formal grievance mechanism and process at our mines follow the guidelines established in "A Practical Design and Implementation Guide for Site-Level Community Response Mechanisms in the Resource Development Industry." These guidelines, developed jointly by the Mining Association of Canada and the Office of the Extractive Sector CSR Counsellor for the Government of Canada, provide a mechanism to tailor the development of processes to the individual needs of the communities in which we operate.

Nature of Gold Production

Ore from the Pinos Altos mine is treated by two different processes – conventional processing, as well as heap-leaching for lower grade ore. The conventional, 5,500 tonne/day process plant includes crushing, grinding, gravity concentration and agitated leaching followed by counter-current decantation. Gold and silver are recovered using the Merrill-Crowe method, and a refinery produces gold/silver doré bars on site. The lower grade Pinos Altos ore is treated in a heap-leach system designed to accommodate 5.6 million tonnes of material over the life of the mine. The heap leach facility is expected to contribute about 1% of the total metal production over the remaining life of Pinos Altos mine.

All the Creston Mascota ore is processed using heap-leaching. Its 6,000 tonne/day heap leach facility is similar to the Pinos Altos facility, but the precious metals are recovered by a small carbon adsorption circuit.

La India's processing flow includes a three-stage crushing process followed by a heap leach operation. The leach pad has a capacity of up to 50 million dry tonnes, reaching an ultimate height of approximately 113 metres. Cyanide leach solution percolates through the heap to the lined solution-collection ditch that routes it to a double-lined pregnant collection pond. A zero-discharge water balance is maintained at the heap leach facilities. The gold adsorption facility (ADR plant) consists of two parallel trains of six 3.5-tonne carbon adsorption columns and a Zadra strip with electrowinning. Gold-silver doré bars are produced in the refinery. The plant is designed to process leach flows of up to 6.0 million dry tonnes of ore per year (16,400 tonnes/day).

Agnico maintains control over the extraction and transport of gold-bearing ore from the open pit and underground mines through the combination of the physical segregation of materials and the controls in place relating to access to the mine itself. Gold is processed and refined into doré on site at Pinos Altos, Creston Mascota and La India; this allows Agnico to retain full control of the entire process.

While awaiting transport to third-party refineries, the doré is kept physically secure within the confines of the premises.

Control of gold at the operation

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

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

Transport

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

Externally Sourced Gold

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

Conclusion

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

Independent Assurance

Agnico retained Ernst & Young LLP (“EY”), an independent assurance provider, to assess its conformance with the Standard. EY has conducted their assessment under the Standard in respect to the period from January 1 – December 31, 2018 and confirmed that the mines identified under Section A, the Pinos Altos,

Creston Mascota and La India operations in Mexico are in conformance with the Standard. EY's statement is available on our website.

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

Appendix

Management Statement of Conformance

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

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

This Statement covers all gold or gold-bearing materials dispatched from the Pinos Altos, Creston Mascota and La India mines for the 2018 calendar year and will be updated annually, or as required by the Standard. It also covers those mines operating in Canada, including the Canadian Malartic joint venture, and Finland, which were initially assessed in terms of Section A.

The World Gold Council's Conflict-Free Gold Standard was implemented on January 1, 2013. This Statement of Conformance covers the period January 1 to December 31, 2018. Limited assurance verifying Agnico's adherence to the Standard has been completed; and Agnico's Conflict-Free Gold Report, which describes Agnico's conformance to the requirements of the Standard as well as the independent assurance report are posted on www.agnicoeagle.com under the SUSTAINABILITY section.