Annual Audited Consolidated Financial Statements

(Prepared in accordance with International Financial Reporting Standards)

AGNICO EAGLE

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Agnico Eagle Mines Limited:

Opinion on Internal Control over Financial Reporting

We have audited Agnico Eagle Mines Limited's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, Agnico Eagle Mines Limited. (the "Company") maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, the related consolidated statements of comprehensive income, shareholders' equity and cash flows for the years then ended, and the related notes and our report dated March 23, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management Certification Report. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Toronto, Canada
March 23, 2018

MANAGEMENT CERTIFICATION

Management of Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's Chief Executive Officer and Chief Financial Officer and effected by the Company's Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2017. In making this assessment, the Company's management used the criteria outlined by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework issued in 2013. Based on its assessment, management concluded that, as of December 31, 2017, the Company's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2017 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report that appears herein.

Toronto, Canada
March 23, 2018

By /s/ SEAN BOYD

Sean Boyd
Vice-Chairman and
Chief Executive Officer

By /s/ DAVID SMITH

David Smith
Senior Vice-President, Finance and
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Agnico Eagle Mines Limited:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Agnico Eagle Mines Limited (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of comprehensive income, shareholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its consolidated cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on Internal Control over Financial Reporting

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2017, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 23, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 1983

Toronto, Canada
March 23, 2018

AGNICO EAGLE MINES LIMITED
CONSOLIDATED BALANCE SHEETS

(thousands of United States dollars, except share amounts)

	As at December 31, 2017	As at December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 632,978	$ 539,974
Short-term investments	10,919	8,424
Restricted cash	422	398
Trade receivables (notes 6 and 17)	12,000	8,185
Inventories (note 7)	500,976	443,714
Income taxes recoverable (note 23)	13,598	–
Available-for-sale securities (notes 6 and 8)	122,775	92,310
Fair value of derivative financial instruments (notes 6 and 20)	17,240	364
Other current assets (note 9(a))	150,626	136,810
Total current assets	1,461,534	1,230,179
Non-current assets:		
Restricted cash	801	764
Goodwill	696,809	696,809
Property, plant and mine development (note 10)	5,626,552	5,106,036
Other assets (note 9(b))	79,905	74,163
Total assets	$7,865,601	$7,107,951
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (note 11)	$ 290,722	$ 228,566
Reclamation provision (note 12)	10,038	9,193
Interest payable (note 14)	12,894	14,242
Income taxes payable (note 23)	16,755	35,070
Finance lease obligations (note 13(a))	3,412	5,535
Current portion of long-term debt (note 14)	–	129,896
Fair value of derivative financial instruments (notes 6 and 20)	–	1,120
Total current liabilities	333,821	423,622
Non-current liabilities:		
Long-term debt (note 14)	1,371,851	1,072,790
Reclamation provision (note 12)	345,268	265,308
Deferred income and mining tax liabilities (note 23)	827,341	819,562
Other liabilities (note 15)	40,329	34,195
Total liabilities	2,918,610	2,615,477
EQUITY		
Common shares (note 16): Outstanding — 232,793,335 common shares issued, less 542,894 shares held in trust	5,288,432	4,987,694
Stock options (notes 16 and 18)	186,754	179,852
Contributed surplus	37,254	37,254
Deficit	(595,797)	(744,453)
Accumulated other comprehensive income	30,348	32,127
Total equity	4,946,991	4,492,474
Total liabilities and equity	$7,865,601	$7,107,951
Commitments and contingencies (note 25)		

On behalf of the Board:

Sean Boyd, CPA, CA, Director

Dr. Leanne M. Baker, Director

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(thousands of United States dollars, except per share amounts)

	Year Ended December 31,	
	2017	2016
REVENUES		
Revenues from mining operations (note 17)	$2,242,604	$2,138,232
COSTS, EXPENSES AND OTHER INCOME		
Production[(i)]	1,057,842	1,031,892
Exploration and corporate development	141,450	146,978
Amortization of property, plant and mine development (note 10)	508,739	613,160
General and administrative	115,064	102,781
Impairment loss on available-for-sale securities (note 8)	8,532	–
Finance costs (note 14)	78,931	74,641
Gain on derivative financial instruments (note 20)	(20,990)	(9,468)
Gain on sale of available-for-sale securities (note 8)	(168)	(3,500)
Environmental remediation (note 12)	1,219	4,058
Gain on impairment reversal (note 22)	–	(120,161)
Foreign currency translation loss	13,313	13,157
Other (income) expenses	(3,709)	16,233
Income before income and mining taxes	342,381	268,461
Income and mining taxes expense (note 23)	98,494	109,637
Net income for the year	$ 243,887	$ 158,824
Net income per share — basic (note 16)	$ 1.06	$ 0.71
Net income per share — diluted (note 16)	$ 1.05	$ 0.70
Cash dividends declared per common share	$ 0.41	$ 0.36
COMPREHENSIVE INCOME		
Net income for the year	$ 243,887	$ 158,824
Other comprehensive income (loss):		
Items that may be subsequently reclassified to net income:		
Available-for-sale securities and other investments (note 8):		
Unrealized change in fair value of available-for-sale securities	(21,179)	36,757
Reclassification to impairment loss on available-for-sale securities	8,532	–
Reclassification to gain on sale of available-for-sale securities	(168)	(3,500)
Derivative financial instruments (note 20):		
Unrealized gain	10,763	–
Income tax impact of reclassification items (note 23)	(1,117)	467
Income tax impact of other comprehensive income (loss) items (note 23)	1,390	(4,925)
	(1,779)	28,799
Items that will not be subsequently reclassified to net income:		
Pension benefit obligations:		
Remeasurement (loss) gain of pension benefit obligations (note 15(a))	(1,772)	612
Income tax impact (note 23)	399	76
	(1,373)	688
Other comprehensive income (loss) for the year	(3,152)	29,487
Comprehensive income for the year	$ 240,735	$ 188,311

Note:

(i) Exclusive of amortization, which is shown separately.

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF EQUITY

(thousands of United States dollars, except share and per share amounts)

	Common Shares Outstanding						
	Shares	Amount	Stock Options	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Equity
Balance at December 31, 2015	217,650,795	$4,707,940	$216,232	$37,254	$(823,734)	$ 3,328	$4,141,020
Net income	–	–	–	–	158,824	–	158,824
Other comprehensive income	–	–	–	–	688	28,799	29,487
Total comprehensive income	–	–	–	–	159,512	28,799	188,311
Transactions with owners:							
Shares issued under employee stock option plan (notes 16 and 18(a))	6,492,907	245,128	(53,025)	–	–	–	192,103
Stock options (notes 16 and 18(a))	–	–	16,645	–	–	–	16,645
Shares issued under incentive share purchase plan (note 18(b))	344,778	15,443	–	–	–	–	15,443
Shares issued under dividend reinvestment plan	224,732	8,893	–	–	–	–	8,893
Shares issued under flow-through share private placement (note 16)	374,869	13,593	–	–	–	–	13,593
Dividends declared ($0.36 per share)	–	–	–	–	(80,231)	–	(80,231)
Restricted Share Unit plan, Performance Share Unit plan and Long Term Incentive Plan (note 16 and 18(c,d))	(122,941)	(3,303)	–	–	–	–	(3,303)
Balance at December 31, 2016	224,965,140	$4,987,694	$179,852	$37,254	$(744,453)	$32,127	$4,492,474
Net income	–	–	–	–	243,887	–	243,887
Other comprehensive loss	–	–	–	–	(1,373)	(1,779)	(3,152)
Total comprehensive income (loss)	–	–	–	–	242,514	(1,779)	240,735
Transactions with owners:							
Shares issued under employee stock option plan (notes 16 and 18(a))	1,538,729	56,802	(12,603)	–	–	–	44,199
Stock options (notes 16 and 18(a))	–	–	19,505	–	–	–	19,505
Shares issued under incentive share purchase plan (note 18(b))	382,663	17,379	–	–	–	–	17,379
Shares issued under dividend reinvestment plan	402,877	17,816	–	–	–	–	17,816
Equity issuance (net of transaction costs) (note 16)	5,003,412	215,013	–	–	–	–	215,013
Dividends declared ($0.41 per share)	–	–	–	–	(93,858)	–	(93,858)
Restricted Share Unit plan, Performance Share Unit plan and Long Term Incentive Plan (note 16 and 18(c,d))	(42,380)	(6,272)	–	–	–	–	(6,272)
Balance at December 31, 2017	232,250,441	$5,288,432	$186,754	$37,254	$(595,797)	$30,348	$4,946,991

See accompanying notes

AGNICO EAGLE MINES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands of United States dollars)

	Year Ended December 31, 2017	Year Ended December 31, 2016
OPERATING ACTIVITIES		
Net income for the year	$ 243,887	$ 158,824
Add (deduct) items not affecting cash:		
Amortization of property, plant and mine development (note 10)	508,739	613,160
Deferred income and mining taxes (note 23)	10,855	7,609
Gain on sale of available-for-sale securities (note 8)	(168)	(3,500)
Stock-based compensation (note 18)	43,674	33,804
Impairment loss on available-for-sale securities (note 8)	8,532	–
Gain on impairment reversal (note 22)	–	(120,161)
Foreign currency translation loss	13,313	13,157
Other	15,362	14,012
Adjustment for settlement of reclamation provision	(4,824)	(2,719)
Changes in non-cash working capital balances:		
Trade receivables	(3,815)	(471)
Income taxes	(31,913)	28,082
Inventories	(64,889)	20,355
Other current assets	(13,722)	53,009
Accounts payable and accrued liabilities	44,694	(35,408)
Interest payable	(2,168)	(1,136)
Cash provided by operating activities	767,557	778,617
INVESTING ACTIVITIES		
Additions to property, plant and mine development (note 10)	(874,153)	(516,050)
Acquisitions, net of cash and cash equivalents acquired (note 5)	(71,989)	(12,434)
Net purchases of short-term investments	(2,495)	(980)
Net proceeds from sale of available-for-sale securities and other investments (note 8)	333	9,461
Purchases of available-for-sale securities and other investments (note 8)	(51,724)	(33,774)
(Increase) decrease in restricted cash	(24)	287
Cash used in investing activities	(1,000,052)	(553,490)
FINANCING ACTIVITIES		
Dividends paid	(76,075)	(71,375)
Repayment of finance lease obligations (note 13(a))	(5,252)	(10,004)
Proceeds from long-term debt (note 14)	280,000	125,000
Repayment of long-term debt (note 14)	(410,412)	(405,374)
Notes issuance (note 14)	300,000	350,000
Long-term debt financing (note 14)	(3,505)	(3,415)
Repurchase of common shares for stock-based compensation plans (notes 16 and 18(c,d))	(24,684)	(15,576)
Proceeds on exercise of stock options (note 18(a))	44,199	192,103
Common shares issued (note 16)	224,896	29,027
Cash provided by financing activities	329,167	190,386
Effect of exchange rate changes on cash and cash equivalents	(3,668)	311
Net increase in cash and cash equivalents during the year	93,004	415,824
Cash and cash equivalents, beginning of year	539,974	124,150
Cash and cash equivalents, end of year	$ 632,978	$ 539,974
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid (note 14)	$ 78,885	$ 71,401
Income and mining taxes paid	$ 127,915	$ 105,184

See accompanying notes

AGNICO EAGLE MINES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

December 31, 2017

1. CORPORATE INFORMATION

Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") is principally engaged in the production and sale of gold, as well as related activities such as exploration and mine development. The Company's mining operations are located in Canada, Mexico and Finland and the Company has exploration activities in Canada, Europe, Latin America and the United States. Agnico Eagle is a public company incorporated under the laws of the Province of Ontario, Canada with its head and registered office located at 145 King Street East, Suite 400, Toronto, Ontario, M5C 2Y7. The Company's common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange. Agnico Eagle sells its gold production into the world market.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company (the "Board") on March 23, 2018.

2. BASIS OF PRESENTATION

A) Statement of Compliance

The accompanying consolidated financial statements of Agnico Eagle have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in United States ("US") dollars.

These consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are measured at fair value. Significant accounting policies are presented in note 3 to these consolidated financial statements and have been consistently applied in each of the periods presented.

B) Basis of Presentation

Subsidiaries

These consolidated financial statements include the accounts of Agnico Eagle and its consolidated subsidiaries. All intercompany balances, transactions, income and expenses and gains or losses have been eliminated on consolidation. Subsidiaries are consolidated where Agnico Eagle has the ability to exercise control. Control of an investee exists when Agnico Eagle is exposed to variable returns from the Company's involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Joint Arrangements

A joint arrangement is defined as an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement between two or more parties. This exists only when the decisions about the relevant activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the assets and obligations for the liabilities relating to the arrangement. These consolidated financial statements include the Company's interests in the assets, liabilities, revenues and expenses of the joint operations, from the date that joint control commenced. Agnico Eagle's 50% interest in each of Canadian Malartic Corporation ("CMC") and Canadian Malartic GP ("the Partnership"), the general partnership that holds the Canadian Malartic mine located in Quebec, has been accounted for as a joint operation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Business Combinations

In a business combination, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition. Preliminary fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed twelve months from the acquisition date with retroactive restatement of the impact of adjustments to those preliminary fair values effective as at the acquisition date. Acquisition related costs are expensed as incurred.

Purchase consideration may also include amounts payable if future events occur or conditions are met. Any such contingent consideration is measured at fair value and included in the purchase consideration at the acquisition date. Subsequent changes to the estimated fair value of contingent consideration are recorded through the consolidated statements of income and comprehensive income, unless the preliminary fair value of contingent consideration as at the acquisition date is finalized before the twelve month measurement period in which case the adjustment is allocated to the identifiable assets acquired and liabilities assumed retrospectively to the acquisition date.

Where the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill. A gain is recorded through the consolidated statements of income and comprehensive income if the cost of the acquisition is less than the fair values of the identifiable net assets acquired.

Non-controlling interests represent the fair value of net assets in subsidiaries that are not held by the Company as at the date of acquisition. Non-controlling interests are presented in the equity section of the consolidated balance sheets.

In a business combination achieved in stages, the Company remeasures any previously held equity interest at its acquisition date fair value and recognizes any gain or loss in the consolidated statements of income and comprehensive income.

B) Non-current Assets and Disposal Groups Held For Sale and Discontinued Operations

The Company classifies a non-current asset or disposal group as held for sale if it is highly probable that they will be sold in their current condition within one year from the date of classification. Assets and disposal groups that meet the criteria to be classified as an asset held for sale are measured at the lower of carrying amount and fair value less costs to dispose and the Company stops amortizing such assets from the date they are classified as held for sale. Assets and disposal groups that meet the criteria to be classified as held for sale are presented separately in the consolidated balance sheets.

If the carrying amount of the asset prior to being classified as held for sale is greater than the fair value less costs to dispose, the Company recognizes an impairment loss. Any subsequent change in the measurement amount of items classified as held for sale is recognized as a gain, to the extent of any cumulative impairment charges previously recognized to the related asset or disposal group, or as a further impairment loss.

A discontinued operation is a component of the Company that can be clearly distinguished from the rest of the entity, both operationally and for financial reporting purposes, that has been disposed of or is classified as held for sale and represents: a) a separate significant line of business or geographical area of operations; b) a part of a single co-ordinated plan to dispose of an area of operations; or c) a subsidiary acquired exclusively for resale. The results of the disposal groups or regions which are discontinued operations are presented separately in the consolidated statements of income and comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Foreign Currency Translation

The functional currency of the Company, for each subsidiary and for joint arrangements, is the currency of the primary economic environment in which it operates. The functional currency of all of the Company's operations is the US dollar.

Once the Company determines the functional currency of an entity, it is not changed unless there is a significant change in the relevant underlying transactions, events and circumstances. Any change in an entity's functional currency is accounted for prospectively from the date of the change, and the consolidated balance sheets are translated using the exchange rate at that date.

At the end of each reporting period, the Company translates foreign currency balances as follows:

- Monetary items are translated at the closing rate in effect at the consolidated balance sheet date;
- Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Items measured at fair value are translated at the exchange rate in effect at the date the fair value was measured; and
- Revenue and expense items are translated using the average exchange rate during the period.

D) Cash and Cash Equivalents

The Company's cash and cash equivalents include cash on hand and short-term investments in money market instruments with remaining maturities of three months or less at the date of purchase. The Company places its cash and cash equivalents and short-term investments in high quality securities issued by government agencies, financial institutions and major corporations and limits the amount of credit exposure by diversifying its holdings.

E) Short-term Investments

The Company's short-term investments include financial instruments with remaining maturities of greater than three months but less than one year at the date of purchase. Short-term investments are designated as held to maturity for accounting purposes and are carried at amortized cost, which approximates market value given the short-term nature of these investments.

F) Inventories

Inventories consist of ore stockpiles, concentrates, dore bars and supplies. Inventories are carried at the lower of cost and net realizable value ("NRV"). Cost is determined using the weighted average basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories includes direct costs of materials and labour related directly to mining and processing activities, including production phase stripping costs, amortization of property, plant and mine development directly involved in the related mining and production process, amortization of any stripping costs previously capitalized and directly attributable overhead costs. When interruptions to production occur, an adjustment is made to the costs included in inventories, such that they reflect normal capacity. Abnormal costs are expensed in the period they are incurred.

The current portion of ore stockpiles, ore in leach pads and inventories is determined based on the expected amounts to be processed within the next twelve months. Ore stockpiles, ore on leach pads and inventories not expected to be processed or used within the next twelve months are classified as long-term.

NRV is estimated by calculating the net selling price less costs to be incurred in converting the relevant inventories to saleable product and delivering it to a customer. Costs to complete are based on management's best estimate as

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

at the consolidated balance sheet date. An NRV impairment may be reversed in a subsequent period if the circumstances that triggered the impairment no longer exist.

G) Financial Instruments

The Company's financial assets and liabilities (financial instruments) include cash and cash equivalents, short-term investments, restricted cash, trade receivables, available-for-sale securities, accounts payable and accrued liabilities, long-term debt and derivative financial instruments. All financial instruments are recorded at fair value at recognition. Subsequent to initial recognition, financial instruments classified as trade receivables, accounts payable and accrued liabilities and long-term debt are measured at amortized cost using the effective interest method. Other financial assets and liabilities are recorded at fair value through the consolidated statements of income and comprehensive income.

Available-for-sale Securities

The Company's investments in available-for-sale securities consist primarily of investments in common shares of entities in the mining industry recorded using trade date accounting. Investments are designated as available-for-sale based on the criteria that the Company does not hold these for trading purposes. The cost basis of available-for-sale securities is determined using the average cost method and they are carried at fair value. Unrealized gains and losses recorded to measure available-for-sale securities at fair value are recognized in other comprehensive income.

In the event that a decline in the fair value of an investment in available-for-sale securities occurs and the decline in value is considered to be significant or prolonged, an impairment charge is recorded in the consolidated statements of income and comprehensive income. The Company assesses whether a decline in value is considered to be significant or prolonged by considering available evidence, including changes in general market conditions, specific industry and investee data, the length of time and the extent to which the fair value has been less than cost and the financial condition of the investee.

Derivative Instruments and Hedge Accounting

The Company uses derivative financial instruments (primarily option and forward contracts) to manage exposure to fluctuations in by-product metal prices, interest rates and foreign currency exchange rates and may use such means to manage exposure to certain input costs. The Company does not hold financial instruments or derivative financial instruments for trading purposes.

The Company recognizes all derivative financial instruments in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivative financial instruments are either recognized periodically in the consolidated statements of income and comprehensive income or in equity as a component of accumulated other comprehensive income, depending on the nature of the derivative financial instrument and whether it qualifies for hedge accounting. Financial instruments designated as hedges are tested for effectiveness at each reporting period. Realized gains and losses on those contracts that are proven to be effective are reported as a component of the related transaction.

H) Goodwill

Goodwill is recognized in a business combination if the cost of the acquisition exceeds the fair values of the identifiable net assets acquired. Goodwill is then allocated to the cash generating unit ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination. A CGU is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, the Company assesses for indicators of impairment at each reporting period end and, if an indicator of impairment is identified, goodwill is tested for impairment at that time. If the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount, an impairment loss is recognized. Goodwill impairment losses are not reversed.

The recoverable amount of a CGU or group of CGUs is measured as the higher of value in use and fair value less costs of disposal.

I) Mining Properties, Plant and Equipment and Mine Development Costs

During the year ended December 31, 2017, the Company made a voluntary change to its accounting policy on Mining Properties, Plant and Equipment and Mine Development Costs, which is set out below.

The Company's previous accounting policy was to use proven and probable reserves as the denominator for calculating depreciation when using the units-of-production method. The Company has updated its policy to also include the mineral resources included in the current life of mine plan as the denominator for calculating depreciation when using the units-of-production method as the Company believes it is probable that mineral resources included in a current life of mine plan will be economically extracted. The Company believes this information is more useful to financial statement users by better representing management's best estimate of the remaining useful life of the corresponding assets and, consequently, the revised treatment results in more reliable and relevant information. The change in accounting policy has been adopted retrospectively in accordance with IAS 8 and there was no impact on previously disclosed financial information.

Mining properties, plant and equipment and mine development costs are recorded at cost, less accumulated amortization and accumulated impairment losses.

Mining Properties

The cost of mining properties includes the fair value attributable to proven and probable mineral reserves and mineral resources acquired in a business combination or asset acquisition, underground mine development costs, deferred stripping, capitalized exploration and evaluation costs and capitalized borrowing costs.

Significant payments related to the acquisition of land and mineral rights are capitalized as mining properties at cost. If a mineable ore body is discovered, such costs are amortized to income when commercial production commences, using the units-of-production method, based on estimated proven and probable mineral reserves and the mineral resources included in the current life of mine plan. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined that the property has no future economic value. Cost components of a specific project that are included in the capital cost of the asset include salaries and wages directly attributable to the project, supplies and materials used in the project, and incremental overhead costs that can be directly attributable to the project.

Assets under construction are not amortized until the end of the construction period or once commercial production is achieved. Upon achieving the production stage, the capitalized construction costs are transferred to the appropriate category of plant and equipment.

Plant and Equipment

Expenditures for new facilities and improvements that can extend the useful lives of existing facilities are capitalized as plant and equipment at cost. The cost of an item of plant and equipment includes: its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

manner intended by management; and the estimate of the costs of dismantling and removing the item and restoring the site on which it is located other than costs that arise as a consequence of having used the item to produce inventories during the period.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income and comprehensive income when the asset is derecognized.

Amortization of an asset begins when the asset is in the location and condition necessary for it to operate in the manner intended by management. Amortization ceases at the earlier of the date the asset is classified as held for sale or the date the asset is derecognized. Assets under construction are not amortized until the end of the construction period or once commercial production is achieved. Amortization is charged according to either the units-of-production method or on a straight-line basis, according to the pattern in which the asset's future economic benefits are expected to be consumed. The amortization method applied to an asset is reviewed at least annually.

Useful lives of property, plant and equipment are based on the lesser of the estimated mine lives as determined by proven and probable mineral reserves and the mineral resources included in the current life of mine plan and the estimated useful life of the asset. Remaining mine lives at December 31, 2017 range from 1 to 17 years.

The following table sets out the useful lives of certain assets:

	Useful Life
Building	5 to 30 years
Leasehold Improvements	15 years
Software and IT Equipment	1 to 10 years
Furniture and Office Equipment	3 to 5 years
Machinery and Equipment	1 to 26 years

Mine Development Costs

Mine development costs incurred after the commencement of commercial production are capitalized when they are expected to have a future economic benefit. Activities that are typically capitalized include costs incurred to build shafts, drifts, ramps and access corridors which enables the Company to extract ore underground.

The Company records amortization on underground mine development costs on a units-of-production basis based on the estimated tonnage of proven and probable mineral reserves and the mineral resources included in the current life of mine plan of the identified component of the ore body. The units-of-production method defines the denominator as the total tonnage of proven and probable mineral reserves and the mineral resources included in the current life of mine plan.

Deferred Stripping

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore from which minerals can be extracted economically. The process of mining overburden and waste materials is referred to as stripping.

During the development stage of the mine, stripping costs are capitalized as part of the cost of building, developing and constructing the mine and are amortized once the mine has entered the production stage.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the production stage of a mine, stripping costs are recorded as a part of the cost of inventories unless these costs are expected to provide a future economic benefit and, in such cases, are capitalized to property, plant and mine development.

Production stage stripping costs provide a future economic benefit when:

- It is probable that the future economic benefit (e.g., improved access to the ore body) associated with the stripping activity will flow to the Company;
- The Company can identify the component of the ore body for which access has been improved; and
- The costs relating to the stripping activity associated with that component can be measured reliably.

Capitalized production stage stripping costs are amortized over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Borrowing Costs

Borrowing costs are capitalized to qualifying assets. Qualifying assets are assets that take a substantial period of time to prepare for the Company's intended use, which includes projects that are in the exploration and evaluation, development or construction stages.

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance costs in the period in which they are incurred. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the relevant borrowings during the period.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, including whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Leasing arrangements that transfer substantially all the risks and rewards of ownership of the asset to the Company are classified as finance leases. Finance leases are recorded as an asset with a corresponding liability at an amount equal to the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance costs using the effective interest rate method, whereby a constant rate of interest expense is recognized on the balance of the liability outstanding. The interest element of the lease is charged to the consolidated statements of income and comprehensive income as a finance cost. An asset leased under a finance lease is amortized over the shorter of the lease term and its useful life.

All other leases are recognized as operating leases. Operating lease payments are recognized as an operating expense in the consolidated statements of income and comprehensive income on a straight-line basis over the lease term.

J) Development Stage Expenditures

Development stage expenditures are costs incurred to obtain access to proven and probable mineral reserves or mineral resources and provide facilities for extracting, treating, gathering, transporting and storing the minerals. The development stage of a mine commences when the technical feasibility and commercial viability of extracting the mineral resource has been determined. Costs that are directly attributable to mine development are capitalized

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

as property, plant and mine development to the extent that they are necessary to bring the property to commercial production.

Abnormal costs are expensed as incurred. Indirect costs are included only if they can be directly attributed to the area of interest. General and administrative costs are capitalized as part of the development expenditures when the costs are directly attributed to a specific mining development project.

Commercial Production

A mine construction project is considered to have entered the production stage when the mine construction assets are available for use. In determining whether mine construction assets are considered available for use, the criteria considered include, but are not limited to, the following:

- Completion of a reasonable period of testing mine plant and equipment;
- Ability to produce minerals in saleable form (within specifications); and
- Ability to sustain ongoing production of minerals.

When a mine construction project moves into the production stage, amortization commences, the capitalization of certain mine construction costs ceases and expenditures are either capitalized to inventories or expensed as incurred. Exceptions include costs incurred for additions or improvements to property, plant and mine development and open-pit stripping activities.

K) Impairment of Long-lived Assets

At the end of each reporting period the Company assesses whether there is any indication that long-lived assets may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. If it is not possible to estimate the recoverable amount of the individual asset, assets are grouped at the CGU level for the purpose of assessing the recoverable amount. An impairment loss is recognized for any excess of the carrying amount of the CGU over its recoverable amount. The impairment loss related to a CGU is first allocated to goodwill and the remaining loss is allocated on a pro-rata basis to the remaining long-lived assets of the CGU based on their carrying amounts.

Any impairment charge that is taken on a long-lived asset except goodwill is reversed if there are subsequent changes in the estimates or significant assumptions that were used to recognize the impairment loss that result in an increase in the recoverable amount of the CGU. If an indicator of impairment reversal has been identified, a recovery should be recognized to the extent the recoverable amount of the asset exceeds its carrying amount. The amount of the reversal is limited to the difference between the current carrying amount and the amount which would have been the carrying amount had the earlier impairment not been recognized and amortization of that carrying amount had continued. Impairments and subsequent reversals are recorded in the consolidated statements of income and comprehensive income in the period in which they occur.

L) Debt

Debt is initially recorded at fair value, net of financing costs incurred. Debt is subsequently measured at amortized cost. Any difference between the amounts received and the redemption value of the debt is recognized in the consolidated statements of income and comprehensive income over the period to maturity using the effective interest rate method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M) Reclamation Provisions

Asset retirement obligations ("AROs") arise from the acquisition, development and construction of mining properties and plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of AROs relate to tailings and heap leach pad closure and rehabilitation, demolition of buildings and mine facilities, ongoing water treatment and ongoing care and maintenance of closed mines. The Company recognizes an ARO at the time the environmental disturbance occurs or a constructive obligation is determined to exist based on the Company's best estimate of the timing and amount of expected cash flows expected to be incurred. When the ARO provision is recognized, the corresponding cost is capitalized to the related item of property, plant and mine development. Reclamation provisions that result from disturbance in the land to extract ore in the current period is included in the cost of inventories.

The timing of the actual environmental remediation expenditures is dependent on a number of factors such as the life and nature of the asset, the operating licence conditions and the environment in which the mine operates. Reclamation provisions are measured at the expected value of future cash flows discounted to their present value using a risk-free interest rate. AROs are adjusted each period to reflect the passage of time (accretion). Accretion expense is recorded in finance costs each period. Upon settlement of an ARO, the Company records a gain or loss if the actual cost differs from the carrying amount of the ARO. Settlement gains or losses are recorded in the consolidated statements of income and comprehensive income.

Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are the construction of new processing facilities, changes in the quantities of material in mineral reserves and mineral resources and a corresponding change in the life of mine plan, changing ore characteristics that impact required environmental protection measures and related costs, changes in water quality that impact the extent of water treatment required and changes in laws and regulations governing the protection of the environment.

Each reporting period, provisions for AROs are remeasured to reflect any changes to significant assumptions, including the amount and timing of expected cash flows and risk-free interest rates. Changes to the reclamation provision resulting from changes in estimate are added to or deducted from the cost of the related asset, except where the reduction of the reclamation provision exceeds the carrying value of the related assets in which case the asset is reduced to nil and the remaining adjustment is recognized in the consolidated statements of income and comprehensive income.

Environmental remediation liabilities ("ERLs") are differentiated from AROs in that ERLs do not arise from environmental contamination in the normal operation of a long-lived asset or from a legal or constructive obligation to treat environmental contamination resulting from the acquisition, construction or development of a long-lived asset. The Company is required to recognize a liability for obligations associated with ERLs arising from past acts. ERLs are measured by discounting the expected related cash flows using a risk-free interest rate. The Company prepares estimates of the timing and amount of expected cash flows when an ERL is incurred. Each reporting period, the Company assesses cost estimates and other assumptions used in the valuation of ERLs to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the value of the ERL. Any change in the value of ERLs results in a corresponding charge or credit to the consolidated statements of income and comprehensive income. Upon settlement of an ERL, the Company records a gain or loss if the actual cost differs from the carrying amount of the ERL in the consolidated statements of income and comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N) Post-employment Benefits

In Canada, the Company maintains a defined contribution plan covering all of its employees (the "Basic Plan"). The Basic Plan is funded by Company contributions based on a percentage of income for services rendered by employees. In addition, the Company has a supplemental plan for designated executives at the level of Vice-President or above (the "Supplemental Plan"). Under the Supplemental Plan, an additional 10.0% of the designated executives' income is contributed by the Company.

The Company provides a defined benefit retirement program (the "Retirement Program") for certain eligible employees that provides a lump-sum payment upon retirement. The payment is based on age and length of service at retirement. An eligible employee is entitled to a benefit if they have completed more than 10 years as a permanent employee and have attained a minimum age of 55. The Retirement Program is not funded.

The Company also provides a non-registered supplementary executive retirement defined benefit plan for certain current and former senior officers (the "Executives Plan"). The Executives Plan benefits are generally based on the employee's years of service and level of compensation. Pension expense related to the Executives Plan is the net of the cost of benefits provided (including the cost of any benefits provided for past service), the net interest cost on the net defined liability/asset, and the effects of settlements and curtailments related to special events. Pension fund assets are measured at their current fair values. The costs of pension plan improvements are recognized immediately in expense when they occur. Remeasurements of the net defined benefit liability are recognized immediately in other comprehensive income (loss) and are subsequently transferred to retained earnings.

Defined Contribution Plan

The Company recognizes the contributions payable to a defined contribution plan in exchange for services rendered by employees as an expense, unless another policy requires or permits the inclusion of the contribution in the cost of an asset. After deducting contributions already paid, a liability is recorded throughout each period to reflect unpaid but earned contributions. If the contribution paid exceeds the contribution due for the service before the end of the reporting period, the Company recognizes that excess as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Defined Benefit Plan

Plan assets are measured at their fair value at the consolidated balance sheet date and are deducted from the present value of plan liabilities to arrive at a net defined benefit liability/asset. The defined benefit obligation reflects the expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

Current service cost represents the actuarially calculated present value of the benefits earned by the active employees in each period and reflects the economic cost for each period based on current market conditions. The current service cost is based on the most recent actuarial valuation. The net interest on the net defined benefit liability/asset is the change during the period in the defined benefit liability/asset that arises from the passage of time.

Past service cost represents the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment. Past service costs from plan amendments that increase or decrease vested or unvested benefits are recognized immediately in net income at the earlier of when the related plan amendment occurs or when the entity recognizes related restructuring costs or termination benefits.

Gains or losses on plan settlements are measured as the difference in the present value of the defined benefit obligation and settlement price. This results in a gain or loss being recognized when the benefit obligation settles.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Actuarial gains and losses are recorded on the consolidated balance sheets as part of the benefit plan's funded status. Gains and losses are recognized immediately in other comprehensive income and are subsequently transferred to retained earnings and are not subsequently recognized in net income.

O) Contingent Liabilities and Other Provisions

Provisions are recognized when a present obligation exists (legal or constructive), as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the consolidated balance sheet date, measured using the expected cash flows discounted for the time value of money. The increase in provision (accretion) due to the passage of time is recognized as a finance cost in the consolidated statements of income and comprehensive income.

Contingent liabilities are possible obligations whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the entity's control, or present obligations that are not recognized because it is not probable that an outflow of economic benefits would be required to settle the obligation or the amount cannot be measured reliably. Contingent liabilities are not recognized but are disclosed and described in the notes to the consolidated financial statements, including an estimate of their potential financial effect and uncertainties relating to the amount or timing of any outflow, unless the possibility of settlement is remote. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company, with assistance from its legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

P) Stock-based Compensation

The Company offers equity-settled awards (the employee stock option plan, incentive share purchase plan, restricted share unit plan and performance share unit plan) to certain employees, officers and directors of the Company.

Employee Stock Option Plan ("ESOP")

The Company's ESOP provides for the granting of options to directors, officers, employees and service providers to purchase common shares. Options have exercise prices equal to the market price on the day prior to the date of grant. The fair value of these options is recognized in the consolidated statements of income and comprehensive income or in the consolidated balance sheets if capitalized as part of property, plant and mine development over the applicable vesting period as a compensation cost. Any consideration paid by employees on exercise of options or purchase of common shares is credited to share capital.

Fair value is determined using the Black-Scholes option valuation model, which requires the Company to estimate the expected volatility of the Company's share price and the expected life of the stock options. Limitations with existing option valuation models and the inherent difficulties associated with estimating these variables create difficulties in determining a reliable single measure of the fair value of stock option grants. The cost is recorded over the vesting period of the award to the same expense category of the award recipient's payroll costs and the corresponding entry is recorded in equity. Equity-settled awards are not remeasured subsequent to the initial grant date. The dilutive impact of stock option grants is factored into the Company's reported diluted net income per share. The stock option expense incorporates an expected forfeiture rate, estimated based on expected employee turnover.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Incentive Share Purchase Plan ("ISPP")

Under the ISPP, directors (excluding non-executive directors), officers and employees (the "Participants") of the Company may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each Participant's contribution. All common shares subscribed for under the ISPP are issued by the Company.

The Company records an expense equal to its cash contribution to the ISPP. No forfeiture rate is applied to the amounts accrued. Where an employee leaves prior to the vesting date, any accrual for contributions by the Company during the vesting period related to that employee is reversed.

Restricted Share Unit ("RSU") Plan

The RSU plan is open to directors and certain employees, including senior executives, of the Company. Common shares are purchased and held in a trust until they have vested. The cost is recorded over the vesting period of the award to the same expense category as the award recipient's payroll costs. The cost of the RSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Performance Share Unit ("PSU") Plan

The PSU plan is open to senior executives of the Company. Common shares are purchased and held in a trust until they have vested. PSUs are subject to vesting requirements based on specific performance measurements by the Company. The fair value for the portion of the PSUs related to market conditions is based on the application of pricing models at the grant date and the fair value for the portion related to non-market conditions is based on the market value of the shares at the grant date. Compensation expense is based on the current best estimate of the outcome for the specific performance measurement established by the Company and is recognized over the vesting period based on the number of units estimated to vest. The cost of the PSUs is recorded within equity until settled. Equity-settled awards are not remeasured subsequent to the initial grant date.

Q) Revenue Recognition

Revenue from mining operations consists of gold revenues, net of smelting, refining, transportation and other marketing charges. Revenues from by-product metal sales are shown net of smelter charges as part of revenues from mining operations.

Revenue from the sale of gold and silver is recognized when the following conditions have been met:

- The Company has transferred to the buyer the significant risks and rewards of ownership;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from gold and silver in the form of dore bars and gold contained in copper concentrate is recorded when the refined gold or silver is sold and delivered to the customer. Generally, all of the gold and silver in the form of dore bars recovered in the Company's milling process is sold in the period in which it is produced.

Under the terms of the Company's concentrate sales contracts with third-party smelters, final prices for the metals contained in the concentrate are determined based on the prevailing spot market metal prices on a specified future

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

date, which is established as of the date the concentrate is delivered to the smelter. The Company records revenues under these contracts based on forward prices at the time of delivery, which is when the risks and rewards of ownership of the concentrate passes to the third-party smelters. The terms of the contracts result in differences between the recorded estimated price at delivery and the final settlement price. These differences are adjusted through revenue at each subsequent financial statement date.

R) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition.

Exploration and evaluation expenditures are expensed as incurred unless it can be demonstrated that the project will generate future economic benefit. When it is determined that a project can generate future economic benefit the costs are capitalized in the property, plant and mine development line item of the consolidated balance sheets.

The exploration and evaluation phase ends when the technical feasibility and commercial viability of extracting the mineral is demonstrable.

S) Net Income Per Share

Basic net income per share is calculated by dividing net income for a given period by the weighted average number of common shares outstanding during that same period. Diluted net income per share reflects the potential dilution that could occur if holders with rights to convert instruments to common shares exercise these rights. The weighted average number of common shares used to determine diluted net income per share includes an adjustment, using the treasury stock method, for stock options outstanding. Under the treasury stock method:

- The exercise of options is assumed to occur at the beginning of the period (or date of issuance, if later);
- The proceeds from the exercise of options plus the future period compensation expense on options granted are assumed to be used to purchase common shares at the average market price during the period; and
- The incremental number of common shares (the difference between the number of shares assumed issued and the number of shares assumed purchased) is included in the denominator of the diluted net income per share calculation.

T) Income Taxes

Current and deferred tax expenses are recognized in the consolidated statements of income and comprehensive income except to the extent that they relate to a business combination, or to items recognized directly in equity or in other comprehensive income (loss).

Current tax expense is based on substantively enacted statutory tax rates and laws at the consolidated balance sheet date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax basis of such assets and liabilities measured using tax rates and laws that are substantively enacted at the consolidated balance sheet date and effective for the reporting period when the temporary differences are expected to reverse.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred taxes are not recognized in the following circumstances:

- Where a deferred tax liability arises from the initial recognition of goodwill;
- Where a deferred tax asset or liability arises on the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither net income nor taxable profits; and
- For temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses and tax credits carried forward and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized except as noted above.

At each reporting period, previously unrecognized deferred tax assets are reassessed to determine whether it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Recently Adopted Accounting Pronouncements

In January 2016, the IASB amended IAS 7 *Statement of Cash Flows*. The amendments require entities to provide disclosure that enables users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017. The Company has adopted the amendments effective January 1, 2017 and has included the additional disclosure in the consolidated financial statements.

Recently Issued Accounting Pronouncements

IFRS 15 – Revenue from Contracts with Customers

In May 2014, IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15") was issued which establishes a five-step model to account for revenue arising from contracts with customers. The standard sets out the principles required to report useful information to financial statement users about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a modified retrospective application or a full retrospective application is required for annual periods beginning on or after January 1, 2018. The Company will adopt the new standard beginning January 1, 2018 using the modified retrospective approach.

The Company reviewed its sales contracts and applied the five-step model established in IFRS 15 to assess the implications of adopting the new standard on existing contracts. Based on the work completed to date, the Company has not identified any material changes in either the timing or measurement of revenue recognition under IFRS 15. The Company has concluded that the point of transfer of risks and rewards for its metals under IAS 18 – *Revenue* and the point of transfer of control under IFRS 15 occur at the same time.

Provisionally priced sales

For sales of metal in concentrate, control of the concentrate generally passes to the customer at the time of delivery. Certain concentrate sales contracts contain provisional pricing. Under IFRS 15, the Company expects that revenue from provisionally priced sales will be measured on the date that control transfers based on a forward price for a specified future date. Subsequent changes in the measurement of receivables relating to provisionally priced concentrate sales will continue to be

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

recorded as revenue and these amounts will be separately disclosed in the Company's revenue note disclosure. During the year ended December 31, 2017, revenue from provisional price adjustments was $3.0 million.

Other presentation and disclosure requirements

IFRS 15 contains presentation and disclosure requirements that are more detailed than the current standards. The presentation requirements represent a significant change from current practice and will increase the amount of disclosure required in the financial statements. Many of the disclosure requirements in IFRS 15 are completely new. During 2017, the Company has continued to consider the systems, internal controls, policies and procedures necessary to collect and disclose the required information.

The estimated impact of the adoption of IFRS 15 is based on the assessments undertaken by the Company to date.The actual impact of adopting this new standard at January 1, 2018 may be different should there be any changes in the Company's assessment of the impact of the adoption of IFRS 15 or interpretations of the new standard in the industry prior to the Company presenting its first consolidated financial statements that include the date of initial adoption.

IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 – *Financial Instruments* ("IFRS 9") that replaces IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39") and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but the provision of comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company adopted IFRS 9 with an effective date of January 1, 2018 on a modified retrospective basis. The Company has completed its assessment of the impact of the IFRS 9 and a summary of these impacts is provided below.

Classification and measurement

The Company will apply the irrevocable election available under IFRS 9 to designate equity investments as financial assets at fair value through other comprehensive income. This election will be applied to all equity investments held upon adoption. As a result, changes in the fair value of equity investments will be recognized permanently in other comprehensive income with no reclassification to the profit or loss even upon eventual disposition. On adoption, all accumulated impairment losses on equity investments held on the date of adoption that had previously been recorded in profit or loss will be reclassified from deficit to accumulated other comprehensive income. This adjustment will be $44.1 million and will reduce the opening deficit.

The Company has determined that the classification of certain other financial assets will change to conform to the revised model for classifying financial assets; however, the Company expects there will be no impact on the recognition or measurement of the Company's other financial assets. There will be no significant impact on the classification and measurement of the Company's financial liabilities.

Impairment

The impairment requirements are based on a forward-looking expected credit loss model. The adoption of the expected credit loss model is not expected to have a significant impact on the Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Hedge accounting

The Company has reassessed all of its existing hedging relationships that qualify for hedge accounting under IAS 39 and concluded that these will continue to qualify for hedge accounting under IFRS 9. The Company will not apply hedge accounting under IFRS 9 for any economic hedges that did not qualify for hedge accounting under IAS 39.

Upon adoption of IFRS 9, there will be a change in the presentation of the time value portion of changes in the value of an option that is a hedging item. Under IFRS 9, the time value component of options in designated hedging relationships will be recorded in other comprehensive income, rather than in the gain on derivative financial instruments line item of the consolidated statements of income and comprehensive income. Amounts accumulated in other comprehensive income will be transferred to net income in the period when the forecasted transaction affects net income.

The Company will reflect the retrospective impact of the adoption of IFRS 9 due to the change in accounting for the time value of options as an adjustment to opening deficit on January 1, 2018. There will be a corresponding adjustment to accumulated other comprehensive income. This adjustment will be $3.1 million and will increase the opening deficit.

IFRS 16 – Leases

In January 2016, IFRS 16 – *Leases* was issued, which requires lessees to recognize assets and liabilities for most leases, as well as corresponding amortization and finance expense. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted. The Company plans to adopt the new standard beginning January 1, 2019.

The Company expects that the new standard will result in an increase in assets and liabilities, as well as a corresponding increase in amortization and finance expense. The Company also expects that cash flow from operating activities will increase under the new standard because lease payments for most leases will be recorded as cash outflows from financing activities in the statements of cash flows. The magnitude of these impacts of adopting the new standard have not yet been determined.

The Company has established an implementation plan to assess the accounting impacts of the new standard and the related impacts on internal controls over the remainder of 2018. The Company is currently conducting a review of its contracts with suppliers to assess the impact of the new standard and to collect data necessary for adoption of the new standard. The Company expects to report more detailed information, including the quantitative impact, if material, in its consolidated financial statements as the effective date approaches.

IFRIC 23 – Uncertainty Over Income Tax Treatments

In June 2017, the IASB issued IFRIC Interpretation 23 – *Uncertainty over Income Tax Treatments* ("IFRIC 23"). IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12 – *Income Taxes* when there is uncertainty over income tax treatments. More specifically, it will provide guidance in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when uncertainty exists. IFRIC 23 is applicable for annual reporting periods beginning on or after January 1, 2019, but earlier application is permitted. The Company will determine the extent of the impact on the Company's current and deferred income tax balances as a result of the adoption of IFRIC 23 in the future.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates used in the preparation of the consolidated financial

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

statements are reasonable; however, actual results may differ materially from these estimates. The key areas where significant judgments, estimates and assumptions have been made are summarized below.

Mineral Reserve and Mineral Resource Estimates

Mineral reserves and mineral resources are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The estimates are based on information compiled by "qualified persons" as defined under the Canadian Securities Administrators' National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Such an analysis relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates requires complex geological judgments to interpret the data. The estimation of mineral reserves and mineral resources are based upon factors such as estimates of commodity prices, future capital requirements and production costs, geological and metallurgical assumptions and judgments made in estimating the size and grade of the ore body and foreign exchange rates.

As the economic assumptions used may change and as additional geological information is acquired during the operation of a mine, estimates of mineral reserves and mineral resources may change. Such changes may impact the Company's consolidated balance sheets and consolidated statements of income and comprehensive income, including:

- The carrying value of the Company's property, plant and mine development and goodwill may be affected due to changes in estimated future cash flows;
- Amortization charges in the consolidated statements of income and comprehensive income may change where such charges are determined using the units-of-production method or where the useful life of the related assets change;
- Capitalized stripping costs recognized in the consolidated balance sheets as either part of mining properties or as part of inventories or charged to income may change due to changes in the ratio of ore to waste extracted;
- Reclamation provisions may change where changes to the mineral reserve and mineral resource estimates affect expectations about when such activities will occur and the associated cost of these activities; and
- Mineral reserve and mineral resource estimates are used to calculate the estimated recoverable amounts of CGU's for impairment tests of goodwill and non-current assets.

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment to determine whether future economic benefits are likely to arise and whether activities have reached a stage where the technical feasibility and commercial viability of extracting the mineral resource is demonstrable.

Production Stage of a Mine

As each mine is unique, significant judgment is required to determine the date that a mine enters the commercial production stage. The Company considers the factors outlined in note 3 to these consolidated financial statements to make this determination.

Contingencies

Contingencies can be either possible assets or possible liabilities arising from past events which, by their nature, will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential impact of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Reclamation Provisions

Environmental remediation costs will be incurred by the Company at the end of the operating life of the Company's mining properties. Management assesses its reclamation provision each reporting period and when new information becomes available. The ultimate environmental remediation costs are uncertain and cost estimates can vary in response to many factors, including estimates of the extent and costs of reclamation activities, technological changes, regulatory changes, cost increases as compared to the inflation rate and changes in discount rates. These uncertainties may result in future actual expenditures differing from the amount of the current provision. As a result, there could be significant adjustments to the provisions established that would affect future financial results. The reclamation provision at each reporting date represents management's best estimate of the present value of the future environmental remediation costs required.

Income and Mining Taxes

Management is required to make estimates regarding the tax basis of assets and liabilities and related deferred income and mining tax assets and liabilities, amounts recorded for uncertain tax positions, the measurement of income and mining tax expense, and estimates of the timing of repatriation of income. Several of these estimates require management to make assessments of future taxable profit and, if actual results are significantly different than the Company's estimates, the ability to realize the deferred income and mining tax assets recorded on the consolidated balance sheets could be affected.

Amortization

Property, plant and mine development comprise a large portion of the Company's total assets and as such the amortization of these assets has a significant effect on the Company's consolidated financial statements. Amortization is charged according to the pattern in which an asset's future economic benefits are expected to be consumed. The determination of this pattern of future economic benefits requires management to make estimates and assumptions about useful lives and residual values at the end of the asset's useful life. Actual useful lives and residual values may differ significantly from current assumptions.

Impairment and Impairment Reversals

The Company evaluates each asset or CGU (excluding goodwill, which is assessed for impairment annually regardless of indicators and is not eligible for impairment reversals) in each reporting period to determine if any indicators of impairment or impairment reversal exist. When completing an impairment test, the Company calculates the estimated recoverable amount of CGUs, which requires management to make estimates and assumptions with respect to items such as future production levels, operating and capital costs, long-term commodity prices, foreign exchange rates, discount rates, amounts of recoverable reserves, mineral resources and exploration potential, and closure and environmental remediation costs. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will have an impact on these projections, which may impact the recoverable amount of assets or CGUs. Accordingly, it is possible that some or the entire carrying amount of the assets or CGUs may be further impaired or the impairment charge reversed with the impact recognized in the consolidated statements of income and comprehensive income.

Development Stage Expenditures

The application of the Company's accounting policy for development stage expenditures requires judgment to determine when the technical feasibility and commercial viability of extracting a mineral resource has been determined.

Some of the factors that the Company may consider in its assessment of technical feasibility and commercial viability are listed below:

- The level of geological certainty of the mineral deposit;

4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

- Life of mine plans or economic models to support the economic extraction of reserves and mineral resources;
- A preliminary economic assessment, prefeasibility study or feasibility study that demonstrates the reserves and mineral resources will generate a positive commercial outcome;
- Reasonable expectations that operating permits will be obtained; and
- Approval by the Board of Directors for development of the project.

Joint Arrangements

Judgment is required to determine when the Company has joint control of a contractual arrangement, which requires a continuous assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Judgment is also continually required to classify a joint arrangement as either a joint operation or a joint venture when the arrangement has been structured through a separate vehicle. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. Specifically, the Company considers the legal form of the separate vehicle, the terms of the contractual arrangement and other relevant facts and circumstances. This assessment often requires significant judgment, and a different conclusion on joint control, or whether the arrangement is a joint operation or a joint venture, may have a material impact on the accounting treatment.

Management evaluated its joint arrangement with Yamana Gold Inc. ("Yamana") to each acquire 50.0% of the shares of Osisko (now CMC) under the principles of IFRS 11 – *Joint Arrangements*. The Company concluded that the arrangement qualified as a joint operation upon considering the following significant factors:

- The requirement that the joint operators purchase all output from the investee and investee restrictions on selling the output to any third party;
- The parties to the arrangement are substantially the only source of cash flow contributing to the continuity of the arrangement; and
- If the selling price drops below cost, the joint operators are required to cover any obligations the Partnership cannot satisfy.

5. ACQUISITIONS

Santa Gertrudis Project

On November 1, 2017, the Company acquired 100% of the issued and outstanding shares of Animas Resources Ltd. ("Animas"), a wholly-owned Canadian subsidiary of GoGold Resources Inc. ("GoGold") by way of a subscription and share purchase agreement (the "Animas Agreement") dated September 5, 2017. On the closing of the transactions relating to the Animas Agreement, Animas owned a 100% interest in the Santa Gertrudis exploration project located in Sonora, Mexico, indirectly, through three wholly-owned Mexican subsidiaries.

Pursuant to the Animas Agreement, consideration for the acquisition of the shares of Animas totaled $80.0 million less a working capital adjustment of $0.4 million, comprised of $72.0 million in cash payable at closing and the extinguishment of a $7.5 million loan advanced to GoGold on the date of the Animas Agreement that bore interest at a rate of 10% per annum. The principal amount of the loan, along with all accrued interest, was repaid upon closing of the Animas Agreement by way of a set-off against the purchase price.

In connection with the transaction, GoGold was granted a 2.0% net smelter return royalty on production from the Santa Gertrudis project, 50% of which may be repurchased by the Company at any time for $7.5 million.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

5. ACQUISITIONS (Continued)

The acquisition was accounted for by the Company as an asset acquisition and transaction costs associated with the acquisition totaling $0.9 million were capitalized to the mining properties acquired separately from the purchase price allocation set out below.

The following table sets out the allocation of the purchase price to assets acquired and liabilities assumed, based on management's estimates of fair value:

Total purchase price:	
Cash paid for acquisition	$71,999
Loan obligation set-off	7,621
Total purchase price to allocate	$79,620
Fair value of assets acquired and liabilities assumed:	
Mining properties	$79,201
Cash and cash equivalents	10
Other current assets	1,214
Accounts payable and accrued liabilities	(805)
Net assets acquired	$79,620

6. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

For items that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing their classification at the end of each reporting period.

During the year ended December 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The Company's financial assets and liabilities include cash and cash equivalents, short-term investments, restricted cash, trade receivables, available-for-sale securities, accounts payable and accrued liabilities, long-term debt and derivative financial instruments.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

6. FAIR VALUE MEASUREMENT (Continued)

The fair values of cash and cash equivalents, short-term investments, restricted cash and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

Long-term debt is recorded on the consolidated balance sheets at December 31, 2017 at amortized cost. The fair value of long-term debt is determined by applying a discount rate, reflecting the credit spread based on the Company's credit rating, to future related cash flows which is categorized within Level 2 of the fair value hierarchy. As at December 31, 2017, the Company's long-term debt had a fair value of $1,499.4 million (2016 – $1,319.7 million).

The following table sets out the Company's financial assets measured at fair value on a recurring basis as at December 31, 2017 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$12,000	$ –	$ 12,000
Available-for-sale securities	110,664	12,111	–	122,775
Fair value of derivative financial instruments	–	17,240	–	17,240
Total financial assets	$110,664	$41,351	$ –	$152,015

The following table sets out the Company's financial assets and liabilities measured at fair value on a recurring basis as at December 31, 2016 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Financial assets:				
Trade receivables	$ –	$ 8,185	$ –	$ 8,185
Available-for-sale securities	86,736	5,574	–	92,310
Fair value of derivative financial instruments	–	364	–	364
Total financial assets	$86,736	$14,123	$ –	$100,859
Financial liabilities:				
Fair value of derivative financial instruments	$ –	$ 1,120	$ –	$ 1,120
Total financial liabilities	$ –	$ 1,120	$ –	$ 1,120

Valuation Techniques

Trade Receivables

Trade receivables from provisional invoices for concentrate sales are valued using quoted forward rates derived from observable market data based on the month of expected settlement (classified within Level 2 of the fair value hierarchy).

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

6. FAIR VALUE MEASUREMENT (Continued)

Available-for-sale Securities

Available-for-sale securities representing shares of publicly traded entities are recorded at fair value using quoted market prices (classified within Level 1 of the fair value hierarchy). Available-for-sale securities representing shares of non-publicly traded entities or non-transferable shares of publicly traded entities are recorded at fair value using external broker-dealer quotations corroborated by option pricing models (classified within Level 2 of the fair value hierarchy).

Derivative Financial Instruments

Derivative financial instruments classified within Level 2 of the fair value hierarchy are recorded at fair value using external broker-dealer quotations corroborated by option pricing models or option pricing models that utilize a variety of inputs that are a combination of quoted prices and market-corroborated inputs.

7. INVENTORIES

	As at December 31, 2017	As at December 31, 2016
Ore in stockpiles and on leach pads	$108,161	$ 90,536
Concentrates and dore bars	123,047	108,193
Supplies	269,768	244,985
Total current inventories	$500,976	$443,714
Non-current ore in stockpiles and on leach pads(i)	69,587	62,780
Total inventories	$570,563	$506,494

Note:

(i) Ore that the Company does not expect to process within 12 months is classified as long-term and is recorded in the other assets line item on the consolidated balance sheets.

During the year ended December 31, 2017, a charge of $2.5 million (2016 – $6.6 million) was recorded within production costs to reduce the carrying value of inventories to their net realizable value.

8. AVAILABLE-FOR-SALE SECURITIES

	As at December 31, 2017	As at December 31, 2016
Cost	$142,546	$ 91,200
Accumulated impairment losses	(44,070)	(36,017)
Unrealized gains in accumulated other comprehensive income	24,669	37,634
Unrealized losses in accumulated other comprehensive income	(370)	(507)
Total estimated fair value of available-for-sale securities	$122,775	$ 92,310

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

8. AVAILABLE-FOR-SALE SECURITIES (Continued)

During the year ended December 31, 2017, the Company received net proceeds of $0.3 million (2016 – $6.0 million) and recognized a gain before income taxes of $0.2 million (2016 – $3.5 million) on the sale of certain available-for-sale securities.

During the year ended December 31, 2017, the Company recorded an impairment loss of $8.5 million (2016 – nil) on certain available-for-sale securities that were determined to have an impairment that was significant or prolonged.

9. OTHER ASSETS

(A) Other Current Assets

	As at December 31, 2017	As at December 31, 2016
Federal, provincial and other sales taxes receivable	$ 83,593	$ 77,380
Prepaid expenses	53,503	47,416
Other	13,530	12,014
Total other current assets	$150,626	$136,810

(B) Other Assets

	As at December 31, 2017	As at December 31, 2016
Non-current ore in stockpiles and on leach pads	$69,587	$62,780
Other assets	10,318	11,383
Total other assets	$79,905	$74,163

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

10. PROPERTY, PLANT AND MINE DEVELOPMENT

	Mining Properties	Plant and Equipment	Mine Development Costs	Total
As at December 31, 2015	$ 1,665,610	$ 2,064,406	$1,358,951	$ 5,088,967
Additions	53,072	244,018	279,119	576,209
Gain on impairment reversal	83,992	36,169	–	120,161
Disposals	(1,890)	(17,658)	–	(19,548)
Amortization	(207,383)	(342,208)	(110,162)	(659,753)
Transfers between categories	12,135	39,556	(51,691)	–
As at December 31, 2016	1,605,536	2,024,283	1,476,217	5,106,036
Additions	174,374	221,924	648,242	1,044,540
Disposals	(6,750)	(9,354)	–	(16,104)
Amortization	(127,579)	(276,493)	(103,848)	(507,920)
Transfers between categories	19,946	30,761	(50,707)	–
As at December 31, 2017	$ 1,665,527	$ 1,991,121	$1,969,904	$ 5,626,552
As at December 31, 2016				
Cost	$ 2,593,659	$ 4,233,945	$2,050,980	$ 8,878,584
Accumulated amortization and net impairments	(988,123)	(2,209,662)	(574,763)	(3,772,548)
Carrying value – December 31, 2016	$ 1,605,536	$ 2,024,283	$1,476,217	$ 5,106,036
As at December 31, 2017				
Cost	$ 2,782,732	$ 4,602,106	$2,648,514	$10,033,352
Accumulated amortization and net impairments	(1,117,205)	(2,610,985)	(678,610)	(4,406,800)
Carrying value – December 31, 2017	$ 1,665,527	$ 1,991,121	$1,969,904	$ 5,626,552

As at December 31, 2017, assets under construction, and therefore not yet being depreciated, included in the carrying value of property, plant and mine development amounted to $910.6 million (2016 – $532.3 million).

During the year ended December 31, 2017, the Company disposed of property, plant and mine development with a carrying value of $16.1 million (2016 – $19.5 million). The loss on disposal was recorded in the other (income) expenses line item in the consolidated statements of income and comprehensive income.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

10. PROPERTY, PLANT AND MINE DEVELOPMENT (Continued)

Geographic Information:

	As at December 31, 2017	As at December 31, 2016
Northern Business:		
Canada	$3,730,809	$3,266,594
Finland	889,610	853,445
Sweden	13,812	13,812
Southern Business:		
Mexico	982,115	961,943
United States	10,206	10,242
Total property, plant and mine development	$5,626,552	$5,106,036

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2017	As at December 31, 2016
Trade payables	$144,135	$111,173
Wages payable	50,380	42,522
Accrued liabilities	76,562	55,893
Other liabilities	19,645	18,978
Total accounts payable and accrued liabilities	$290,722	$228,566

In 2017 and 2016, the other liabilities balance consisted primarily of various employee payroll tax withholdings and other payroll taxes.

12. RECLAMATION PROVISION

Agnico Eagle's reclamation provision includes both asset retirement obligations and environmental remediation liabilities. Reclamation provision estimates are based on current legislation, third party estimates, management's estimates and feasibility study calculations. Assumptions based on current economic conditions, which the Company believes are reasonable, have been used to estimate the reclamation provision. However, actual reclamation costs will ultimately depend on future economic conditions and costs for the necessary reclamation work. Changes in reclamation provision estimates during the period reflect changes in cash flow estimates as well as assumptions including discount and inflation rates. The discount rates used in the calculation of the reclamation provision at December 31, 2017 ranged between 1.14% and 2.39% (2016 – between 0.74% and 2.35%).

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

12. RECLAMATION PROVISION (Continued)

The following table reconciles the beginning and ending carrying amounts of the Company's asset retirement obligations. The settlement of the obligation is estimated to occur through to 2067.

	Year Ended December 31, 2017	Year Ended December 31, 2016
Asset retirement obligations – long-term, beginning of year	$259,706	$269,068
Asset retirement obligations – current, beginning of year	5,953	4,443
Current year additions and changes in estimate, net	58,891	(9,112)
Current year accretion	5,247	3,847
Liabilities settled	(1,115)	(1,113)
Foreign exchange revaluation	21,004	(1,474)
Reclassification from long-term to current, end of year	(8,609)	(5,953)
Asset retirement obligations – long-term, end of year	$341,077	$259,706

The following table reconciles the beginning and ending carrying amounts of the Company's environmental remediation liability. The settlement of the obligation is estimated to occur through to 2025.

	Year Ended December 31, 2017	Year Ended December 31, 2016
Environmental remediation liability – long-term, beginning of year	$ 5,602	$ 7,231
Environmental remediation liability – current, beginning of year	3,240	1,802
Current year additions and changes in estimate, net	850	243
Liabilities settled	(4,559)	(1,606)
Foreign exchange revaluation	487	1,172
Reclassification from long-term to current, end of year	(1,429)	(3,240)
Environmental remediation liability – long-term, end of year	$ 4,191	$ 5,602

13. LEASES

(A) Finance Leases

The Company has entered into sale-leaseback agreements with third parties for various fixed and mobile equipment within Canada. These arrangements represent sale-leaseback transactions in accordance with IAS 17 – *Leases* ("IAS 17"). The sale-leaseback agreements have an average effective annual interest rate of 3.3% and maturities up to 2019.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

13. LEASES (Continued)

All of the sale-leaseback agreements have end of lease clauses that qualify as bargain purchase options that the Company expects to execute. As at December 31, 2017, the total net book value of assets recorded under sale-leaseback finance leases amounted to $3.3 million (2016 – $5.3 million).

The Company has agreements with third party providers of mobile equipment with an average effective annual interest rate of 4.3% and maturities up to 2019. These arrangements represent finance leases in accordance with the guidance in IAS 17. As at December 31, 2017, the Company's attributable finance lease obligations were $3.3 million (2016 – $5.9 million).

The following table sets out future minimum lease payments under finance leases together with the present value of the net minimum lease payments:

	As at December 31, 2017			As at December 31, 2016		
	Minimum Finance Lease Payments	Interest	Present Value	Minimum Finance Lease Payments	Interest	Present Value
Within 1 year	$3,570	$ 158	$3,412	$ 5,955	$420	$ 5,535
Between 1 – 5 years	1,971	56	$1,915	6,630	311	6,319
Total	$5,541	$ 214	$5,327	$12,585	$731	$11,854

As at December 31, 2017, the total net book value of assets recorded under finance leases, including sale-leaseback finance leases, was $8.4 million (2016 – $21.1 million). The amortization of assets recorded under finance leases is included in the amortization of property, plant and mine development line item of the consolidated statements of income and comprehensive income.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

13. LEASES (Continued)

(B) Operating Leases

The Company has a number of operating lease agreements involving office facilities and equipment. Some of the leases for office facilities contain escalation clauses for increases in operating costs and property taxes. Future minimum lease payments required to meet obligations that have initial or remaining non-cancellable lease terms in excess of one year are as follows:

	As at December 31, 2017	As at December 31, 2016
Within 1 year	$ 4,305	$ 3,691
Between 1 – 3 years	7,415	4,780
Between 3 – 5 years	7,484	2,127
Thereafter	9,429	9,543
Total	$28,633	$20,141

During the year ended December 31, 2017, $6.3 million (2016 – $2.1 million) of operating lease payments were recognized in the consolidated statements of income and comprehensive income.

14. LONG-TERM DEBT

	As at December 31, 2017	As at December 31, 2016
Credit Facility(i)(ii)	$ (6,181)	$ (6,416)
2017 Notes(i)(iii)	297,784	–
2016 Notes(i)(iii)	348,002	347,716
2015 Note(i)(iii)	49,495	49,429
2012 Notes(i)(iii)	199,063	198,894
2010 Notes(i)(iii)	483,688	598,167
Other attributable debt instruments	–	14,896
Total debt	$1,371,851	$1,202,686
Less: current portion	–	129,896
Total long-term debt	$1,371,851	$1,072,790

Note:

(i) Inclusive of unamortized deferred financing costs.

(ii) There were no amounts outstanding under the Credit Facility (as defined below) as at December 31, 2017 and December 31, 2016. The December 31, 2017 and December 31, 2016 balances relate to deferred financing costs which are being amortized on a straight-line basis until the maturity date of June 22, 2022. Credit Facility availability is reduced by outstanding letters of credit, amounting to $0.8 million as at December 31, 2017.

(iii) The terms 2017 Notes, 2016 Notes, 2015 Note, 2012 Notes and 2010 Notes are defined below.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

14. LONG-TERM DEBT (Continued)

Scheduled Debt Principal Repayments

	2018	2019	2020	2021	2022	2023 and Thereafter	Total
2017 Notes	$ –	$ –	$ –	$ –	$ –	$300,000	$ 300,000
2016 Notes	–	–	–	–	–	350,000	350,000
2015 Note	–	–	–	–	–	50,000	50,000
2012 Notes	–	–	–	–	100,000	100,000	200,000
2010 Notes	–	–	360,000	–	125,000	–	485,000
Total	$ –	$ –	$360,000	$ –	$225,000	$800,000	$1,385,000

Credit Facility

On October 26, 2016, the Company amended its $1.2 billion unsecured revolving bank credit facility (the "Credit Facility"), extending the maturity date from June 22, 2020 to June 22, 2021 and amending pricing terms.

On October 25, 2017, the Company further amended the Credit Facility to, among other things, extend the maturity date from June 22, 2021 to June 22, 2022 and amend pricing terms.

As at December 31, 2017 and December 31, 2016, no amounts were outstanding under the Credit Facility. Outstanding letters of credit under the Credit Facility resulted in Credit Facility availability of $1,199.2 million as at December 31, 2017 (2016 – $1,199.2 million).

The lenders under the Credit Facility are each paid a standby fee at a rate that ranges from 0.29% to 0.55% per annum of the undrawn portion of the facility, depending on the Company's credit rating.

2017 Notes

On May 5, 2017, the Company agreed to a $300.0 million private placement of guaranteed senior unsecured notes (the "2017 Notes") which closed on June 29, 2017. Upon issuance, the 2017 Notes had a weighted average maturity of 10.9 years and weighted average yield of 4.67%. Proceeds from the 2017 Notes were used for working capital and general corporate purposes.

The following table sets out details of the individual series of the 2017 Notes:

	Principal	Interest Rate	Maturity Date
Series A	$ 40,000	4.42%	6/29/2025
Series B	100,000	4.64%	6/29/2027
Series C	150,000	4.74%	6/29/2029
Series D	10,000	4.89%	6/29/2032
Total	$300,000		

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

14. LONG-TERM DEBT (Continued)

2016 Notes

On June 30, 2016, the Company closed a $350.0 million private placement of guaranteed senior unsecured notes (the "2016 Notes") which, on issuance, had a weighted average maturity of 9.43 years and weighted average yield of 4.77%. Proceeds from the offering of the 2016 Notes were used to repay amounts outstanding under the Credit Facility.

The following table sets out details of the individual series of the 2016 Notes:

	Principal	Interest Rate	Maturity Date
Series A	$100,000	4.54%	6/30/2023
Series B	200,000	4.84%	6/30/2026
Series C	50,000	4.94%	6/30/2028
Total	$350,000		

2015 Note

On September 30, 2015, the Company closed a private placement consisting of a $50.0 million guaranteed senior unsecured note (the "2015 Note") with a September 30, 2025 maturity date and a yield of 4.15%. Under the 2015 Note, the Company agreed that an amount equal to or greater than the net proceeds from the 2015 Note would be applied toward mining projects in the Province of Quebec, Canada.

2012 Notes

On July 24, 2012, the Company closed a $200.0 million private placement of guaranteed senior unsecured notes (the "2012 Notes") which, on issuance, had a weighted average maturity of 11.0 years and weighted average yield of 4.95%.

The following table sets out details of the individual series of the 2012 Notes:

	Principal	Interest Rate	Maturity Date
Series A	$100,000	4.87%	7/23/2022
Series B	100,000	5.02%	7/23/2024
Total	$200,000		

2010 Notes

On April 7, 2010, the Company closed a $600.0 million private placement of guaranteed senior unsecured notes (the "2010 Notes" and, together with the 2017 Notes, the 2016 Notes, the 2015 Note and the 2012 Notes, the "Notes") which, on issuance, had a weighted average maturity of 9.84 years and weighted average yield of 6.59%.

On April 7, 2017, the Company repaid Series A of the 2010 Notes with principal of $115.0 million and an annual interest rate of 6.13%. As at December 31, 2017, the principal amount of the 2010 Notes that remains outstanding is $485.0 million.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

14. LONG-TERM DEBT (Continued)

The following table sets out details of the individual series of the 2010 Notes that remain outstanding:

	Principal	Interest Rate	Maturity Date
Series B	$360,000	6.67%	4/7/2020
Series C	125,000	6.77%	4/7/2022
Total	$485,000		

Other Loans

In connection with its joint acquisition of Osisko on June 16, 2014, the Partnership was assigned and assumed certain outstanding debt obligations of Osisko relating to the Canadian Malartic mine. Agnico Eagle's indirect attributable interest in such debt obligations included a secured loan facility (the "CMGP Loan"). A scheduled repayment of C$20.0 million ($15.4 million) was made on June 30, 2016, resulting in attributable outstanding principal of C$20.0 million ($14.9 million) as at December 31, 2016. The final scheduled repayment of C$20.0 million ($14.9 million) was made on June 30, 2017, resulting in attributable outstanding principal of nil as at December 31, 2017.

Covenants

Payment and performance of Agnico Eagle's obligations under the Credit Facility and the Notes is guaranteed by each of its material subsidiaries and certain of its other subsidiaries (the "Guarantors").

The Credit Facility contains covenants that limit, among other things, the ability of the Company to incur additional indebtedness, make distributions in certain circumstances and sell material assets.

The note purchase agreements pursuant to which the Notes were issued (the "Note Purchase Agreements") contain covenants that restrict, among other things, the ability of the Company to amalgamate or otherwise transfer its assets, sell material assets, carry on a business other than one related to mining and the ability of the Guarantors to incur indebtedness.

The Credit Facility and Note Purchase Agreements also require the Company to maintain a total net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio below a specified maximum value and the Note Purchase Agreements (other than the 2018 Notes) require the Company to maintain a minimum tangible net worth.

The Company was in compliance with all covenants contained in the Credit Facility and Note Purchase Agreements as at December 31, 2017.

Interest on Long-term Debt

Total long-term debt interest costs incurred during the year ended December 31, 2017 were $70.0 million (2016 – $63.1 million).

Total borrowing costs capitalized to property, plant and mine development during the year ended December 31, 2017 were $6.4 million (2016 – $3.1 million) at a capitalization rate of 1.37% (2016 – 1.70%).

During the year ended December 31, 2017, cash interest paid on the Credit Facility was $0.1 million (2016 – $3.6 million), cash standby fees paid on the Credit Facility were $5.6 million (2016 – $5.2 million) and cash interest paid on the Notes was $71.3 million (2016 – $59.8 million).

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

15. OTHER LIABILITIES

Other liabilities consist of the following:

	As at December 31, 2017	As at December 31, 2016
Long-term portion of finance lease obligations (note 13(a))	$ 1,915	$ 6,319
Pension benefit obligations	33,542	19,273
Other	4,872	8,603
Total other liabilities	$40,329	$34,195

Pension Benefit Obligations

The Company provides the Executives Plan for certain current and former senior officers and the Retirement Program for eligible employees, which are both considered defined benefit plans under IAS 19 – *Employee Benefits*. The funded status of the plans are based on actuarial valuations performed as at December 31, 2017. The plans operate under similar regulatory frameworks and generally face similar risks.

The Executives Plan pension formula is based on final average earnings in excess of the amounts payable from the registered plan. Assets for the Executives Plan consist of deposits on hand with regulatory authorities that are refundable when benefit payments are made or on the ultimate wind-up of the plan. The estimated average remaining service life of the plan as at December 31, 2017 is 1.0 years.

The Company provides a defined benefit retirement program for certain eligible employees that provides a lump-sum payment upon retirement. The payment is based on age and length of service at retirement. An eligible employee is entitled to a benefit if they have completed more than 10 years as a permanent employee and have attained a minimum age of 55. The Retirement Program is not funded.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

15. OTHER LIABILITIES (Continued)

The funded status of the Company's defined benefit obligations relating to the Company's Executives Plan and Retirement Program for 2017 and 2016, is as follows:

	Year Ended December 31,	
	2017	**2016**
Reconciliation of plan assets:		
Plan assets, beginning of year	$ 2,192	$ 2,011
Agnico Eagle's contributions	303	327
Benefit payments	(90)	(88)
Administrative expenses	(106)	(119)
Interest on assets	87	86
Net return on assets excluding interest	(87)	(86)
Effect of exchange rate changes	158	61
Plan assets, end of year	2,457	2,192
Reconciliation of defined benefit obligation:		
Defined benefit obligation, beginning of year	11,867	10,641
Current service cost	493	326
Past service cost	8,754	–
Benefit payments	(90)	(88)
Interest cost	544	456
Actuarial losses arising from changes in economic assumptions	1,035	400
Actuarial losses (gains) arising from experience	421	(185)
Effect of exchange rate changes	1,219	317
Defined benefit obligation, end of year	24,243	11,867
Net defined benefit liability, end of year	$21,786	$ 9,675

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

15. OTHER LIABILITIES (Continued)

The components of Agnico Eagle's pension expense recognized in net income relating to the Executives Plan and the Retirement Program are as follows:

	Year Ended December 31,	
	2017	**2016**
Current service cost	$ 493	$326
Past service cost	8,754	–
Administrative expenses	106	119
Interest cost on defined benefit obligation	544	456
Interest on assets	(87)	(86)
Pension expense	$9,810	$815

The remeasurements of the net defined benefit liability recognized in other comprehensive income (loss) relating to the Company's Executives Plan and the Retirement Program are as follows:

	Year Ended December 31,	
	2017	**2016**
Actuarial losses relating to the defined benefit obligation	$1,456	$215
Net return on assets excluding interest	87	86
Total remeasurements of the net defined benefit liability	$1,543	$301

In 2018, the Company expects to make contributions of $0.8 million and benefit payments of $0.7 million related to the Executive Plan and the Retirement Program.

The following table sets out significant assumptions used in measuring the Company's Executives Plan defined benefit obligations:

	As at December 31,	
	2017	**2016**
Assumptions:		
Discount rate – beginning of year	3.8%	4.0%
Discount rate – end of year	3.3%	3.8%
Rate of compensation increase	3.0%	3.0%

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

15. OTHER LIABILITIES (Continued)

Significant actuarial assumptions used in measuring the Company's Retirement Program defined benefit obligations included a discount rate of 3.25% at the beginning of the period, a discount rate of 3.0% as at the end of the year and mine closure estimates based on the current life of mine plans.

The following is a summary of the effect of changes in significant actuarial assumptions on the Company's Executives Plan and Retirement Program defined benefit obligations:

	As at December 31, 2017
Change in assumption:	
0.5% increase in discount rate	(1,214)
0.5% decrease in discount rate	1,324

The summary of the effect of changes in significant actuarial assumptions was prepared using the same methods and actuarial assumptions as those used for the calculation of the Company's defined benefit obligation related to the Executives Plan and Retirement Program as at the end of the fiscal year, except for the change in the single actuarial assumption being evaluated. The modification of several actuarial assumptions at the same time could lead to different results.

Other Plans

In addition to its defined benefit pension plans, the Company maintains the Basic Plan and the Supplemental Plan. Under the Basic Plan, Agnico Eagle contributes 5.0% of certain employees' base employment compensation to a defined contribution plan. In 2017, $10.6 million (2016 – $9.7 million) was contributed to the Basic Plan, $0.2 million of which related to contributions for key management personnel (2016 – $0.2 million). The Company also maintains the Supplemental Plan for designated executives at the level of Vice-President or above. The Supplemental Plan is funded by the Company through notional contributions equal to 10.0% of the designated executive's earnings for the year (including salary and short-term bonus). In 2017, the Company made $1.4 million (2016 – $1.4 million) in notional contributions to the Supplemental Plan, $1.0 million (2016 – $0.9 million) of which related to contributions for key management personnel. The Company's liability related to the Supplemental Plan is $8.2 million at December 31, 2017 (2016 – $7.1 million). The Supplemental Plan is accounted for as a cash balance plan.

16. EQUITY

Common Shares

The Company's authorized share capital includes an unlimited number of common shares with no par value. As at December 31, 2017, Agnico Eagle's issued common shares totaled 232,793,335 (December 31, 2016 – 225,465,654), less 542,894 common shares held in a trust (2016 – 500,514).

360,381 common shares are held in a trust in connection with the Company's RSU plan (2016 – 369,972). 176,333 common shares are held in a trust in connection with the Company's PSU plan (2016 – 124,500).

In the first quarter of 2015, a Long Term Incentive Plan ("LTIP") was implemented for certain employees of the Partnership and CMC, both of which are jointly-owned, comprised of 50.0% deferred cash, 25.0% Agnico Eagle common shares and 25.0% Yamana common shares and vesting over a period ranging between 18 to 36 months. As at December 31, 2017, 6,180 Agnico Eagle common shares were held in a trust in connection with the LTIP (2016 – 6,042).

16. EQUITY (Continued)

The trusts have been evaluated under IFRS 10 – *Consolidated Financial Statements* and are consolidated in the accounts of the Company, with shares held in trust offset against the Company's issued shares in its consolidated financial statements. The common shares purchased and held in a trust are excluded from the basic net income per share calculations until they have vested. All of the non-vested common shares held in the trusts are included in the diluted net income per share calculations, unless the impact is anti-dilutive.

The following table sets out the maximum number of common shares that would be outstanding if all dilutive instruments outstanding as at December 31, 2017 were exercised:

Common shares outstanding at December 31, 2017	232,250,441
Employee stock options	5,857,504
Common shares held in a trust in connection with the RSU plan (note 18(c)), PSU plan (note 18(d)) and LTIP	542,894
Total	238,650,839

Net Income Per Share

The following table sets out the weighted average number of common shares used in the calculation of basic and diluted net income per share:

	Year Ended December 31,	
	2017	**2016**
Net income for the year	$243,887	$158,824
Weighted average number of common shares outstanding – basic (in thousands)	230,252	222,737
Add: Dilutive impact of common shares related to the RSU plan, PSU plan and LTIP	694	639
Add: Dilutive impact of employee stock options	1,515	2,378
Weighted average number of common shares outstanding – diluted (in thousands)	232,461	225,754
Net income per share – basic	$ 1.06	$ 0.71
Net income per share – diluted	$ 1.05	$ 0.70

Diluted net income per share has been calculated using the treasury stock method. In applying the treasury stock method, outstanding employee stock options with an exercise price greater than the average quoted market price of the common shares for the period outstanding are not included in the calculation of diluted net income per share as the impact would be anti-dilutive.

For the year ended December 31, 2017, 52,000 (2016 – 20,000) employee stock options were excluded from the calculation of diluted net income per share as their impact would have been anti-dilutive.

16. EQUITY (continued)

Equity Issuance

On March 31, 2017, the Company issued and sold 5,003,412 common shares of the Company to an institutional investor in the United States at a price of $43.97 per common share, for total consideration of approximately $220.0 million. Transaction costs of approximately $5.0 million (net of tax of $1.7 million) were incurred, resulting in a net increase to share capital of $215.0 million.

Flow-through share private placement

On March 10, 2016, the Company raised approximately C$25.0 million ($18.7 million) through the issuance of 374,869 flow-through common shares at a price of C$66.69 per common share. Flow-through shares are securities issued to investors whereby the deductions for tax purposes related to resource exploration and evaluation expenditures may be claimed by investors instead of the issuer under a renouncement process. At the time the flow-through shares were issued, the sale of tax deductions were deferred and were presented in the accounts payable and accrued liabilities line item in the consolidated balance sheets because the Company had not yet fulfilled its obligation to pass on the tax deductions to the investor. At the time the Company fulfills its obligation, the sale of tax deductions is recognized in the consolidated statements of income and comprehensive income as a reduction of deferred tax expense. The closing price of the Company's common shares on the March 10, 2016 issuance date was C$48.49, resulting in an increase to share capital of approximately C$18.2 million ($13.6 million). The initial C$6.8 million ($5.1 million) liability is drawn down as eligible expenditures are incurred because the Company has a positive intention to renounce these expenses. During the year ended December 31, 2016, the liability was fully extinguished based on eligible expenditures incurred.

17. REVENUES FROM MINING OPERATIONS AND TRADE RECEIVABLES

Agnico Eagle is a gold mining company with mining operations in Canada, Mexico and Finland. The Company earns a significant proportion of its revenues from the production and sale of gold in both dore bar and concentrate form. The remainder of revenue and cash flow is generated by the production and sale of by-product metals. The revenue from by-product metals is primarily generated by production at the LaRonde mine in Canada (silver, zinc and copper) and the Pinos Altos mine in Mexico (silver).

The cash flow and profitability of the Company's operations are significantly affected by the market price of gold and, to a lesser extent, silver, zinc and copper. The prices of these metals can fluctuate significantly and are affected by numerous factors beyond the Company's control.

During the year ended December 31, 2017, four customers each contributed more than 10.0% of total revenues from mining operations for a combined total of approximately 78.1% of revenues from mining operations in the Northern and Southern business units. However, because gold can be sold through numerous gold market traders worldwide, the Company is not economically dependent on a limited number of customers for the sale of its product.

Trade receivables are recognized once the transfer of ownership for the metals sold has occurred and reflect the amounts owing to the Company in respect of its sales of concentrates to third parties prior to the satisfaction in full of the payment obligations of the third parties. As at December 31, 2017, the Company had $12.0 million (2016 – $8.2 million) in receivables relating to provisionally priced concentrate sales.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

17. REVENUES FROM MINING OPERATIONS AND TRADE RECEIVABLES (Continued)

	Year Ended December 31,	
	2017	2016
Revenues from mining operations:		
Gold	$2,140,890	$2,049,871
Silver	86,262	85,096
Zinc	9,177	1,413
Copper	6,275	1,852
Total revenues from mining operations	$2,242,604	$2,138,232

In 2017, precious metals (gold and silver) accounted for 99.3% of Agnico Eagle's revenues from mining operations (2016 – 99.8%). The remaining revenues from mining operations consisted of net by-product metal revenues from non-precious metals.

18. STOCK-BASED COMPENSATION

(A) Employee Stock Option Plan

The Company's ESOP provides for the grant of stock options to directors, officers, employees and service providers to purchase common shares. Under the ESOP, stock options are granted at the fair market value of the underlying shares on the day prior to the date of grant. The number of common shares that may be reserved for issuance to any one person pursuant to stock options (under the ESOP or otherwise), warrants, share purchase plans or other arrangements may not exceed 5.0% of the Company's common shares issued and outstanding at the date of grant.

On April 24, 2001, the Compensation Committee of the Board adopted a policy pursuant to which stock options granted after that date have a maximum term of five years. In 2016, the shareholders approved a resolution to increase the number of common shares reserved for issuance under the ESOP to 31,300,000 common shares.

Of the 2,018,140 stock options granted under the ESOP in 2017, 499,796 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2022, vest in equal installments on each anniversary date of the grant over a three-year period. Of the 2,160,075 stock options granted under the ESOP in 2016, 540,027 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2021, vest in equal installments on each anniversary date of the grant over a three-year period. Upon the exercise of stock options under the ESOP, the Company issues common shares from treasury to settle the obligation.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

18. STOCK-BASED COMPENSATION (Continued)

The following table sets out activity with respect to Agnico Eagle's outstanding stock options:

	Year Ended December 31, 2017		Year Ended December 31, 2016	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	5,478,837	C$34.40	12,082,212	C$43.65
Granted	2,018,140	56.57	2,160,075	36.65
Exercised	(1,538,729)	37.18	(6,492,907)	38.48
Forfeited	(99,644)	42.09	(141,038)	38.42
Expired	(1,100)	37.05	(2,129,505)	76.46
Outstanding, end of year	5,857,504	C$41.18	5,478,837	C$34.40
Options exercisable, end of year	2,628,998	C$37.66	1,606,558	C$40.27

The average share price of Agnico Eagle's common shares during the year ended December 31, 2017 was C$59.47 (2016 – C$58.52).

The weighted average grant date fair value of stock options granted in 2017 was C$14.51 (2016 – C$9.69).

The following table sets out information about Agnico Eagle's stock options outstanding and exercisable as at December 31, 2017:

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
C$28.03 – C$38.15	3,638,052	2.30 years	C$32.10	1,903,646	C$31.05
C$40.66 – C$66.57	2,219,452	3.52 years	56.05	725,352	55.01
C$28.03 – C$66.57	5,857,504	2.76 years	C$41.18	2,628,998	C$37.66

The weighted average remaining contractual term of stock options exercisable as at December 31, 2017 was 2.17 years.

The Company has reserved for issuance 5,857,504 common shares in the event that these stock options are exercised.

The number of common shares available for the grant of stock options under the ESOP as at December 31, 2017 and December 31, 2016 was 4,371,663 and 6,289,059, respectively.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

18. STOCK-BASED COMPENSATION (Continued)

Subsequent to the year ended December 31, 2017, 1,990,850 stock options were granted under the ESOP, of which 496,973 stock options vested within 30 days of the grant date. The remaining stock options, all of which expire in 2023, vest in equal installments on each anniversary date of the grant over a three-year period.

Agnico Eagle estimated the fair value of stock options under the Black-Scholes option pricing model using the following weighted average assumptions:

	Year Ended December 31,	
	2017	**2016**
Risk-free interest rate	1.15%	0.89%
Expected life of stock options (in years)	2.3	2.5
Expected volatility of Agnico Eagle's share price	45.0%	45.0%
Expected dividend yield	1.09%	1.33%

The Company uses historical volatility to estimate the expected volatility of Agnico Eagle's share price. The expected term of stock options granted is derived from historical data on employee exercise and post-vesting employment termination experience.

The total compensation expense for the ESOP recorded in the general and administrative line item of the consolidated statements of income and comprehensive income for 2017 was $19.5 million (2016 – $16.6 million). Of the total compensation cost for the ESOP, $0.3 million was capitalized as part of the property, plant and mine development line item of the consolidated balance sheets in 2017 (2016 – $0.3 million).

(B) Incentive Share Purchase Plan

On June 26, 1997, the Company's shareholders approved the ISPP to encourage Participants to purchase Agnico Eagle's common shares at market value. In 2009, the ISPP was amended to remove non-executive directors as eligible Participants.

Under the ISPP, Participants may contribute up to 10.0% of their basic annual salaries and the Company contributes an amount equal to 50.0% of each Participant's contribution. All common shares subscribed for under the ISPP are issued by the Company. The total compensation cost recognized in 2017 related to the ISPP was $5.8 million (2016 – $5.1 million).

In 2017, 382,663 common shares were subscribed for under the ISPP (2016 – 344,778) for a value of $17.4 million (2016 – $15.4 million). In May 2015, the Company's shareholders approved an increase in the maximum number of common shares reserved for issuance under the ISPP to 7,100,000 from 6,100,000. As at December 31, 2017, Agnico Eagle has reserved for issuance 1,172,307 common shares (2016 – 1,554,970) under the ISPP.

(C) Restricted Share Unit Plan

In 2009, the Company implemented the RSU plan for certain employees. Effective January 1, 2012, the RSU plan was amended to include directors and senior executives of the Company as eligible participants.

18. STOCK-BASED COMPENSATION (Continued)

A deferred compensation balance is recorded for the total grant date value on the date of each RSU plan grant. The deferred compensation balance is recorded as a reduction of equity and is amortized as compensation expense over the vesting period of up to three years.

In 2017, 369,623 (2016 – 354,592) RSUs were granted with a grant date fair value of $44.42 (2016 – $28.62). In 2017, the Company funded the RSU plan by transferring $16.4 million (2016 – $10.1 million) to an employee benefit trust that then purchased common shares of the Company in the open market. The grant date fair value of the RSUs generally approximates the cost of purchasing the shares in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding.

Compensation expense related to the RSU plan was $13.1 million in 2017 (2016 – $10.4 million). Compensation expense related to the RSU plan is included as part of the general and administrative line item of the consolidated statements of income and comprehensive income.

Subsequent to the year ended December 31, 2017, 372,200 RSUs were granted under the RSU plan.

(D) Performance Share Unit Plan

Beginning in 2016, the Company adopted a PSU plan for senior executives of the Company. PSUs are subject to vesting requirements over a three year period based on specific performance measurements established by the Company. The fair value for the portion of the PSUs related to market conditions is based on the application of pricing models at the grant date and the fair value for the portion related to non-market conditions is based on the market value of the shares at the grant date. Compensation expense is based on the current best estimate of the outcome for the specific performance measurement established by the Company and is recognized over the vesting period based on the number of units estimated to vest.

In 2017, 182,000 (2016 – 183,000) PSUs were granted with a grant date fair value of $49.38 (2016 – $32.20). The Company funded the PSU plan by transferring $8.1 million (2016 – $5.3 million) to an employee benefit trust that then purchased common shares of the Company in the open market. Once vested, the common shares in the trust are distributed to settle the obligation along with a cash payment reflecting the accumulated amount that would have been paid as dividends had the common shares been outstanding.

Compensation expense related to the PSU plan was $6.0 million in 2017 (2016 – $2.2 million). Compensation expense related to the PSU plan is included as part of the general and administrative line item of the consolidated statements of income and comprehensive income.

Subsequent to the year ended December 31, 2017, 180,000 PSUs were granted under the PSU plan.

19. CAPITAL AND FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, commodity price risk and foreign currency risk), credit risk and liquidity risk. The Company's overall risk management policy is to support the delivery of the Company's financial targets while minimizing the potential adverse effects on the Company's performance.

Risk management is carried out by a centralized treasury department under policies approved by the Board. The Company's financial activities are governed by policies and procedures and its financial risks are identified, measured and managed in accordance with its policies and risk tolerance.

19. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)

A) Market Risk

Market risk is the risk that changes in market factors, such as interest rates, commodity prices and foreign exchange rates, will affect the value of Agnico Eagle's financial instruments. The Company can choose to either accept market risk or mitigate it through the use of derivatives and other economic hedging strategies.

i. Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations that have floating interest rates.

There is no impact on income before income and mining taxes or equity of a 1.0% increase or decrease in interest rates as at December 31, 2017 (2016 – $2.6 million).

ii. Commodity Price Risk

a. Metal Prices

Agnico Eagle's revenues from mining operations and net income are sensitive to metal prices. Changes in the market price of gold may be attributed to numerous factors such as demand, global mine production levels, central bank purchases and sales and investor sentiment. Changes in the market prices of by-product metals (silver, zinc and copper) may be attributed to factors such as demand and global mine production levels.

In order to mitigate the impact of fluctuating by-product metal prices, the Company occasionally enters into derivative financial instrument contracts under its Board-approved Risk Management Policies and Procedures. The Company has a long-standing policy of no forward gold sales. However, the policy does allow the Company to use other economic hedging strategies, where appropriate, to mitigate by-product metal pricing risks. The Company's policy does not allow speculative trading.

b. Fuel

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of its diesel fuel costs (refer to note 20 to these consolidated financial statements for further details on the Company's derivative financial instruments).

iii. Foreign Currency Risk

The Company receives payment for all of its metal sales in US dollars and pays most of its operating and capital costs in Canadian dollars, Euros or Mexican pesos. This gives rise to significant foreign currency risk exposure. The Company enters into currency economic hedging transactions under the Board-approved Foreign Exchange Risk Management Policies and Procedures to hedge part of its foreign currency exposure. The policy does not permit the hedging of translation exposure (that is, the gains and losses that arise from the accounting translation of Canadian dollar, Euro or Mexican peso denominated assets and liabilities into US dollars), as it does not give rise to cash exposure. The Company's foreign currency derivative financial instrument strategy includes the use of purchased puts, sold calls, collars and forwards that are not held for speculative purposes (refer to note 20 to these consolidated financial statements for further details on the Company's derivative financial instruments).

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

19. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)

The following table sets out the translation impact on income before income and mining taxes and equity for the year ended December 31, 2017 of a 10.0% change in the exchange rate of the US dollar relative to the Canadian dollar, Euro and Mexican peso, with all other variables held constant.

	Impact on Income Before Income and Mining Taxes and Equity	
	10.0% Strengthening of the US Dollar	10.0% Weakening of the US Dollar
Canadian dollar	$ 8,435	$(8,435)
Euro	$ 2,477	$(2,477)
Mexican peso	$(6,710)	$ 6,710

B) *Credit Risk*

Credit risk is the risk that a third party might fail to fulfill its obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, short-term investments, restricted cash, trade receivables and derivative financial instruments. The Company holds its cash and cash equivalents, restricted cash and short-term investments in highly rated financial institutions resulting in a low level of credit risk. For trade receivables and derivative financial instruments, historical levels of default have been negligible, resulting in a low level of credit risk. The Company mitigates credit risk by dealing with recognized credit-worthy counterparties and limiting concentration risk. For derivative financial instrument liabilities, the Company assumes no credit risk when the fair value of an instrument is negative. The maximum exposure to credit risk is equal to the carrying amount of the instruments as follows:

	As at December 31, 2017	As at December 31, 2016
Cash and cash equivalents	$632,978	$539,974
Short-term investments	10,919	8,424
Restricted cash	1,223	1,162
Trade receivables	12,000	8,185
Derivative financial instrument assets	17,240	364
Total	$674,360	$558,109

C) *Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds by monitoring its debt rating and projected cash flows taking into account the maturity dates of existing debt and other payables. The Company manages exposure to liquidity risk by maintaining cash balances, having access to undrawn credit facilities and access to public debt markets. Contractual maturities relating to finance lease obligations are detailed in note 13(a) to these consolidated financial statements and contractual maturities

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

19. CAPITAL AND FINANCIAL RISK MANAGEMENT (Continued)

relating to long-term debt are detailed in note 14 to these consolidated financial statements. Other financial liabilities, including accounts payable and accrued liabilities and derivative financial instruments, have maturities within one year of December 31, 2017.

D) Capital Risk Management

The Company's primary capital management objective is to maintain an optimal capital structure to support current and long-term business activities and to provide financial flexibility in order to maximize value for equity holders.

Agnico Eagle's capital structure comprises a mix of long-term debt and total equity as follows:

	As at December 31, 2017	As at December 31, 2016
Long-term debt	$1,371,851	$1,202,686
Total equity	4,946,991	4,492,474
Total	$6,318,842	$5,695,160

The Company manages its capital structure and makes adjustments to it based on changes in economic conditions and the requirements of financial covenants. To effectively manage its capital requirements, Agnico Eagle has in place a rigorous planning, budgeting and forecasting process to ensure it has the appropriate liquidity to meet its operating and growth objectives. The Company has the ability to adjust its capital structure by various means.

See note 14 to these consolidated financial statements for details related to Agnico Eagle's compliance with its long-term debt covenants.

E) Changes in liabilities arising from financing activities

	As at December 31, 2016	Cash Flows	Foreign Exchange	Other[(i)]	As at December 31, 2017
Current portion of long-term debt	$ 129,896	$(130,412)	$516	$ –	$ –
Long-term debt	1,072,790	296,495	–	2,566	1,371,851
Finance lease obligations[(ii)]	11,854	(5,252)	174	(1,449)	5,327
Total liabilities from financing activities	$1,214,540	$ 160,831	$690	$ 1,117	$1,377,178

Note:

(i) Includes the amortization of deferred financing costs on long-term debt and various non-cash adjustments.

(ii) The finance lease obligations balance includes the long-term portion of finance lease obligations of $1,915 (2016 – $6,319) (note 13(a)) which is recorded in the other liabilities line item on the consolidated balance sheets.

20. DERIVATIVE FINANCIAL INSTRUMENTS

Currency Risk Management

The Company uses foreign exchange economic hedges to reduce the variability in expected future cash flows arising from changes in foreign currency exchange rates. The Company is primarily exposed to currency fluctuations relative to the US dollar as a significant portion of the Company's operating costs and capital expenditures are denominated in foreign currencies; primarily the Canadian dollar, the Euro and the Mexican peso. These potential currency fluctuations increase the volatility of, and could have a significant impact on, the Company's production costs. The economic hedges relate to a portion of the foreign currency denominated cash outflows arising from foreign currency denominated expenditures.

As at December 31, 2017, the Company had outstanding foreign exchange zero cost collars with a cash flow hedging relationship that did qualify for hedge accounting under IAS 39. The purchase of US dollar put options was financed through selling US dollar call options at a higher level such that the net premium payable to the different counterparties by the Company was nil. At December 31, 2017, the zero cost collars hedged $276.0 million of 2018 expenditures. The Company recognized the effective intrinsic value component of the mark-to-market adjustment in other comprehensive income. The time value portion of the mark-to-market adjustment is recognized in the gain on derivative financial instruments line item of the consolidated statements of income and comprehensive income. Amounts deferred in other comprehensive income are reclassified when the hedged transaction has occurred.

As at December 31, 2017, the Company also had outstanding foreign exchange zero cost collars where hedge accounting was not applied. The purchase of US dollar put options was financed through selling US dollar call options at a higher level such that the net premium payable to the different counterparties by the Company was nil. At December 31, 2017, the zero cost collars related to $84.0 million of 2018 expenditures and the Company recognized mark-to-market adjustments in the gain on derivative financial instruments line item of the consolidated statements of income and comprehensive income.

Mark-to-market gains and losses related to foreign exchange derivative financial instruments are recorded at fair value based on broker-dealer quotations corroborated by option pricing models that utilize period end forward pricing of the applicable foreign currency to calculate fair value.

The Company's other foreign currency derivative strategies in 2017 and 2016 consisted mainly of writing US dollar call options with short maturities to generate premiums that would, in essence, enhance the spot transaction rate received when exchanging US dollars for Canadian dollars and Mexican pesos. All of these derivative transactions expired prior to period end such that no derivatives were outstanding as at December 31, 2017 or December 31, 2016. The call option premiums were recognized in the gain on derivative financial instruments line item of the consolidated statements of income and comprehensive income.

Commodity Price Risk Management

To mitigate the risks associated with fluctuating diesel fuel prices, the Company uses derivative financial instruments as economic hedges of the price risk on a portion of diesel fuel costs associated with the Meadowbank mine's diesel fuel exposure as it relates to operating costs. There were derivative financial instruments outstanding as at December 31, 2017 relating to 5.0 million gallons of heating oil (2016 – 1.0 million). The related mark-to-market adjustments prior to settlement were recognized in the gain on derivative financial instruments line item of the consolidated statements of income and comprehensive income. The Company does not apply hedge accounting to these arrangements.

Mark-to-market gains and losses related to heating oil derivative financial instruments are based on broker-dealer quotations that utilize period end forward pricing to calculate fair value.

As at December 31, 2017 and December 31, 2016, there were no metal derivative positions. The Company may from time to time utilize short-term financial instruments as part of its strategy to minimize risks and optimize returns on its by-product metal sales.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

20. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The following table sets out a summary of the amounts recognized in the gain on derivative financial instruments line item of the consolidated statements of income and comprehensive income:

	Year Ended December 31,	
	2017	2016
Premiums realized on written foreign exchange call options	$ (2,925)	$ (2,569)
Realized loss on warrants	–	543
Unrealized loss (gain) on warrants[(i)]	15	(580)
Realized (gain) loss on currency and commodity derivatives	(10,832)	357
Unrealized gain on currency and commodity derivatives[(i)]	(7,248)	(7,219)
Gain on derivative financial instruments	$ (20,990)	$ (9,468)

Note:

(i) Unrealized gains and losses on financial instruments that did not qualify for hedge accounting are recognized through the gain on derivative financial instruments line item of the consolidated statements of income and comprehensive income and through the other line item of the consolidated statements of cash flows.

21. SEGMENTED INFORMATION

Agnico Eagle operates in a single industry, namely exploration for and production of gold. The Company's primary operations are in Canada, Mexico and Finland. The Company identifies its reportable segments as those operations whose operating results are reviewed by the Chief Operating Decision Maker ("CODM"), the Chief Executive Officer for the purpose of allocating resources and assessing performance and that represent more than 10.0% of the combined revenue from mining operations, income or loss or total assets of all operating segments. Each of the Company's significant operating mines and projects are considered to be separate operating segments. Certain operating segments that do not meet the quantitative thresholds are still disclosed where the Company believes that the information is useful. The CODM also reviews segment income (defined as revenues from mining operations less production costs, exploration and corporate development expenses and impairment losses and reversals) on a mine-by-mine basis. The following are the Company's reportable segments organized according to their relationship with the Company's three business units and reflect how the Company manages its business and how it classifies its operations for planning and measuring performance:

Northern Business:	LaRonde mine, Lapa mine, Goldex mine, Meadowbank mine including the Amaruq deposit, Canadian Malartic joint operation, Meliadine project and Kittila mine
Southern Business:	Pinos Altos mine, Creston Mascota deposit at Pinos Altos and La India mine
Exploration:	United States Exploration office, Europe Exploration office, Canada Exploration offices and Latin America Exploration office

Revenues from mining operations and production costs for the reportable segments are reported net of intercompany transactions.

Corporate and other assets and specific income and expense items are not allocated to reportable segments.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

21. SEGMENTED INFORMATION (Continued)

	Year Ended December 31, 2017			
	Revenues from Mining Operations	**Production Costs**	**Exploration and Corporate Development**	**Segment Income (Loss)**
Northern Business:				
LaRonde mine	$ 484,488	$ (185,488)	$ –	$ 299,000
Lapa mine	64,572	(38,786)	–	25,786
Goldex mine	139,665	(71,015)	–	68,650
Meadowbank mine	449,025	(224,364)	(28,871)	195,790
Canadian Malartic joint operation	404,441	(188,568)	(3,864)	212,009
Kittila mine	248,761	(148,272)	–	100,489
Total Northern Business	1,790,952	(856,493)	(32,735)	901,724
Southern Business:				
Pinos Altos mine	257,905	(108,726)	–	149,179
Creston Mascota deposit at Pinos Altos	63,798	(31,490)	–	32,308
La India mine	129,949	(61,133)	–	68,816
Total Southern Business	451,652	(201,349)	–	250,303
Exploration	–	–	(108,715)	(108,715)
Segments totals	$2,242,604	$(1,057,842)	$(141,450)	$1,043,312
Total segments income				$1,043,312
Corporate and other:				
Amortization of property, plant and mine development				(508,739)
General and administrative				(115,064)
Impairment loss on available for sale securities				(8,532)
Finance costs				(78,931)
Gain on derivative financial instruments				20,990
Gain on sale of available-for-sale securities				168
Environmental remediation				(1,219)
Foreign currency translation loss				(13,313)
Other income				3,709
Income before income and mining taxes				$ 342,381

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

21. SEGMENTED INFORMATION (Continued)

	Year Ended December 31, 2016				
	Revenues from Mining Operations	Production Costs	Exploration and Corporate Development	Gain on Impairment Reversal	Segment Income (Loss)
Northern Business:					
LaRonde mine	$ 388,180	$ (179,496)	$ –	$ –	$ 208,684
Lapa mine	92,160	(52,974)	–	–	39,186
Goldex mine	149,730	(63,310)	–	–	86,420
Meadowbank mine	384,023	(218,963)	(63,488)	37,161	138,733
Canadian Malartic joint operation	371,920	(183,635)	(4,044)	–	184,241
Meliadine project	–	–	–	83,000	83,000
Kittila mine	252,346	(141,871)	–	–	110,475
Total Northern Business	1,638,359	(840,249)	(67,532)	120,161	850,739
Southern Business:					
Pinos Altos mine	294,377	(114,557)	–	–	179,820
Creston Mascota deposit at Pinos Altos	62,967	(27,341)	–	–	35,626
La India mine	142,529	(49,745)	–	–	92,784
Total Southern Business	499,873	(191,643)	–	–	308,230
Exploration	–	–	(79,446)	–	(79,446)
Segments totals	$2,138,232	$(1,031,892)	$(146,978)	$ 120,161	$1,079,523
Total segments income					$1,079,523
Corporate and other:					
Amortization of property, plant and mine development					(613,160)
General and administrative					(102,781)
Finance costs					(74,641)
Gain on derivative financial instruments					9,468
Gain on sale of available-for-sale securities					3,500
Environmental remediation					(4,058)
Foreign currency translation loss					(13,157)
Other expenses					(16,233)
Income before income and mining taxes					$ 268,461

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

21. SEGMENTED INFORMATION (Continued)

	Total Assets as at	
	December 31, 2017	**December 31, 2016**
Northern Business:		
LaRonde mine	$ 870,150	$ 808,981
Lapa mine	17,867	16,473
Goldex mine	275,132	248,766
Meadowbank mine	565,355	500,207
Canadian Malartic joint operation	1,943,304	1,956,285
Meliadine project	1,194,414	781,999
Kittila mine	982,378	961,392
Total Northern Business	5,848,600	5,274,103
Southern Business:		
Pinos Altos mine	668,492	667,123
Creston Mascota deposit at Pinos Altos	50,144	60,308
La India mine	427,957	428,005
Total Southern Business	1,146,593	1,155,436
Exploration	277,099	198,738
Corporate and other	593,309	479,674
Total assets	$7,865,601	$7,107,951

The following table sets out the carrying amount of goodwill by segment for the years ended December 31, 2016 and December 31, 2017:

	Meliadine Project	**La India Mine**	**Canadian Malartic Joint Operation**	**Total**
Cost	$ 200,064	$39,017	$657,792	$ 896,873
Accumulated impairment	(200,064)	–	–	(200,064)
Carrying amount	$ –	$39,017	$657,792	$ 696,809

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

21. SEGMENTED INFORMATION (Continued)

The following table sets out capital expenditures by segment:

	Capital Expenditures Year Ended December 31,	
	2017	**2016**
Northern Business:		
LaRonde mine	$ 89,749	$ 64,288
Goldex mine	57,050	78,388
Meadowbank mine	111,516	38,248
Canadian Malartic joint operation	86,549	60,434
Meliadine project	372,071	116,136
Kittila mine	87,789	75,904
Total Northern Business	804,724	433,398
Southern Business:		
Pinos Altos mine	49,337	59,572
Creston Mascota deposit at Pinos Altos	8,108	9,287
La India mine	10,783	10,507
Total Southern Business	68,228	79,366
Corporate and other	1,201	3,286
Total capital expenditures	$874,153	$516,050

The following table sets out revenues from mining operations by geographic area(i):

	Year Ended December 31,	
	2017	**2016**
Canada	$1,542,191	$1,386,013
Mexico	451,652	499,873
Finland	248,761	252,346
Total revenues from mining operations	$2,242,604	$2,138,232

Note:

(i) Presented based on the location of the mine from which the product originated.

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

21. SEGMENTED INFORMATION (Continued)

The following table sets out non-current assets by geographic area:

	Non-current Assets as at	
	December 31, 2017	December 31, 2016
Canada	$4,452,478	$3,970,435
Mexico	1,026,740	1,010,063
Finland	900,831	873,220
Sweden	13,812	13,812
United States	10,206	10,242
Total non-current assets	$6,404,067	$5,877,772

22. IMPAIRMENT AND IMPAIRMENT REVERSALS

Goodwill Impairment Testing

The Company performs goodwill impairment tests on an annual basis as at December 31 each year. In addition, the Company assesses for indicators of impairment at each reporting period end and if an indicator of impairment is identified, goodwill and long-lived assets are tested for impairment at that time. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. An impairment loss is recognized for any excess of the carrying amount of the asset over its recoverable amount.

The estimated recoverable amount of the Canadian Malartic joint operation segment as at December 31, 2017 and December 31, 2016 was determined on the basis of fair value less costs to dispose of the Canadian Malartic mine as well as the exploration properties included in the joint operation. The estimated recoverable amount of the Canadian Malartic mine and certain exploration properties were calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 5.75% – 9.00% (2016 – 6.00%), commensurate with the estimated level of risk. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,300 per ounce (in real terms) (2016 – $1,250 per ounce), foreign exchange rates of US$0.78:C$1.00 to US$0.80:C$1.00 (2016 – US$0.75:C$1.00 to US$0.80:C$1.00), an inflation rate of 2.0%, and capital, operating and reclamation costs based on applicable life of mine plans. Exploration properties within the joint operation were valued by reference to comparable recent transactions or by a cashflow extension approach where the mineralization is expected to have sufficiently similar economics to the mineralization of the Canadian Malartic mine. The Canadian Malartic joint operation segment estimated recoverable amount exceeded its carrying amount at December 31, 2017 and December 31, 2016. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

Impairment Reversals

The Company assesses for indicators of impairment reversal on long-lived assets other than goodwill that have previously been impaired at each reporting period end. If an indicator of impairment reversal is identified, the recoverable amount of the asset is calculated in order to determine if any impairment reversal is required. An impairment loss recognized in a prior period can only be reversed if there are subsequent changes in the estimates or significant assumptions that were used to determine the recoverable amount since the impairment loss was recognized. A gain on impairment reversal is recognized for any excess of the recoverable amount of the asset over its carrying amount. The amount of the reversal is limited to the

22. IMPAIRMENT AND IMPAIRMENT REVERSALS (Continued)

difference between the current carrying amount and the amount which would have been the carrying amount had the earlier impairment not been recognized and amortization of that carrying amount had continued.

In 2016, the Company completed an internal technical study on the Amaruq satellite deposit at the Meadowbank mine. Board approval for the development of the project was received on February 15, 2017. The favourable project economics and the expected potential for extensions to the Company's current mine plan in relation to the Amaruq satellite deposit at the Meadowbank mine was an impairment reversal indicator for the Meadowbank mine CGU. The updated mine plan represented an observable indication that the value of the CGU had increased significantly and was a favourable change to the extent and manner in which the asset was expected to be used. There is significant judgment involved in the determination of whether a previously recognized impairment loss should be reversed.

The estimated recoverable amount of the Meadowbank mine CGU as at December 31, 2016 was determined on the basis of fair value less costs to dispose of the mine. The estimated recoverable amount of the Meadowbank mine CGU was calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 7.25%, commensurate with the estimated level of risk associated with the Meadowbank mine CGU. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,250 per ounce (in real terms), foreign exchange rates of US$0.75:C$1.00 to US$0.80:C$1.00, an inflation rate of 2.0%, and capital, operating and reclamation costs based on applicable life of mine plans. The estimated recoverable amount of the Meadowbank mine CGU exceeded its carrying amount at December 31, 2016. The Meadowbank mine CGU's maximum impairment reversal is limited to the difference between the current carrying amount and the previous carrying amount less amortization that would have been recognized had the assets not been previously impaired. Certain assets that are not expected to be utilized in conjunction with the Amaruq satellite deposit had recoverable amounts less than their current carrying amounts and therefore no impairment reversal was applied. The Company determined that the Amaruq satellite deposit will utilize some of the existing infrastructure at the Meadowbank mine, primarily the mill, camp, road and airstrip, to generate cashflows at the Amaruq satellite deposit and these assets were written up to the maximum of the previous carrying amount that would have been determined had no impairment loss been recognized for the assets in prior years. At December 31, 2016, a gain on impairment reversal of $37.2 million ($27.6 million, net of tax) was recognized in the gain on impairment reversal line item in the consolidated statements of income and comprehensive income to increase the carrying amount of related plant and equipment. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

In 2016, the Company completed internal studies to optimize the previous Meliadine mine plan that had been outlined in an updated NI 43-101 technical report dated February 11, 2015. These internal studies evaluated various opportunities to improve the project economics and the after-tax internal rate of return. Board approval for development of the project was received on February 15, 2017. The favourable project economics and the expected potential for extensions to the Company's current mine plan was an impairment reversal indicator for the Meliadine project CGU. The updated mine plan represented an observable indication that the value of the CGU had increased significantly and was a favourable change to the extent and manner in which the asset was expected to be used. There is significant judgment involved in the determination of whether a previously recognized impairment loss should be reversed.

The estimated recoverable amount of the Meliadine project CGU as at December 31, 2016 was determined on the basis of fair value less costs to dispose of the mine. The estimated recoverable amount of the Meliadine project CGU was calculated by discounting the estimated future net cash flows over the estimated life of the mine using a nominal discount rate of 9.0%, commensurate with the estimated level of risk associated with the Meliadine project CGU. The recoverable amount calculation was based on an estimate of future production levels applying gold prices of $1,250 per ounce (in real terms), foreign exchange rates of US$0.75:C$1.00 to US$0.80:C$1.00, an inflation rate of 2.0% and capital, operating and reclamation costs based on applicable life of mine plans. As the Meliadine project CGU's estimated recoverable amount exceeded the previous carrying amount less amortization that would have been recognized had the assets not been impaired, a gain on impairment reversal of $83.0 million ($53.6 million, net of tax) was recognized in the gain on impairment reversal

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

22. IMPAIRMENT AND IMPAIRMENT REVERSALS (Continued)

line item in the consolidated statements of income and comprehensive income at December 31, 2016 to increase the carrying amount of the related mining property. The discounted cash flow approach uses significant unobservable inputs and is therefore considered Level 3 fair value measurement under the fair value hierarchy.

Key Assumptions

Discount rates were based on each asset group's weighted average cost of capital, of which the two main components are the cost of equity and the after-tax cost of debt. Cost of equity was calculated based on the capital asset pricing model, incorporating the risk-free rate of return based on Government of Canada marketable bond yields as at the valuation date, the Company's beta coefficient adjustment to the market equity risk premium based on the volatility of the Company's return in relation to that of a comparable market portfolio, plus a size premium and Company-specific risk factor. Cost of debt was determined by applying an appropriate market indication of the Company's borrowing capabilities and the corporate income tax rate applicable to each asset group's jurisdiction. Gold price estimates were determined using forecasts of future prices prepared by industry analysts, which were available as at or close to the valuation date. Foreign exchange estimates are based on a combination of currency forward curves and estimates that reflect the outlooks of major global financial institutions. Estimated production volumes are based on detailed life of mine plans and also take into account management's expected development plans. The production volumes used were consistent with the Company's mineral reserve and mineral resource estimates and in certain circumstances, include expansion projects. Assumptions are also made related to the valuation of mineral resources beyond what is included in the life of mine plans.

23. INCOME AND MINING TAXES

Income and mining taxes expense is made up of the following components:

	Year Ended December 31,	
	2017	2016
Current income and mining taxes	$ 87,639	$102,028
Deferred income and mining taxes:		
Origination and reversal of temporary differences	10,855	7,609
Total income and mining taxes expense	$ 98,494	$109,637

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

23. INCOME AND MINING TAXES (Continued)

The income and mining taxes expense is different from the amount that would have been calculated by applying the Canadian statutory income tax rate as a result of the following:

	Year Ended December 31,	
	2017	**2016**
Combined federal and composite provincial tax rates	26%	26%
Expected income tax expense at statutory income tax rate	$ 88,677	$ 69,666
Increase (decrease) in income and mining taxes resulting from:		
Mining taxes	40,886	33,949
Tax law changes	–	(1,557)
Impact of foreign tax rates	(7,915)	(9,370)
Permanent differences	(5,275)	2,387
Impact of foreign exchange on deferred income tax balances	(17,879)	14,562
Total income and mining taxes expense	$ 98,494	$109,637

The following table sets out the components of Agnico Eagle's net deferred income and mining tax liabilities:

	As at December 31, 2017	As at December 31, 2016
Mining properties	$1,089,751	$1,046,218
Net operating and capital loss carry forwards	(97,946)	(80,227)
Mining taxes	(75,238)	(76,344)
Reclamation provisions and other liabilities	(89,226)	(70,085)
Total deferred income and mining tax liabilities	$ 827,341	$ 819,562

	Year Ended December 31,	
	2017	**2016**
Deferred income and mining tax liabilities – beginning of year	$819,562	$802,114
Income and mining tax impact recognized in net income	10,181	7,888
Income tax impact recognized in other comprehensive income (loss) and equity	(2,402)	4,458
Reduction of flow-through share liability	–	5,102
Deferred income and mining tax liabilities – end of year	$827,341	$819,562

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

23. INCOME AND MINING TAXES (Continued)

The Company operates in different jurisdictions and, accordingly, it is subject to income and other taxes under the various tax regimes in the countries in which it operates. The tax rules and regulations in many countries are highly complex and subject to interpretation. The Company may be subject, in the future, to a review of its historic income and other tax filings and, in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain tax rules and regulations to the Company's business conducted within the country involved.

The deductible temporary differences and unused tax losses in respect of which a deferred tax asset has not been recognized in the consolidated balance sheets are as follows:

	As at December 31, 2017	As at December 31, 2016
Net capital loss carry forwards	$ 54,503	$ 34,298
Other deductible temporary differences	265,919	202,614
Unrecognized deductible temporary differences and unused tax losses	$320,422	$236,912

The Company also has unused tax credits of $12.9 million as at December 31, 2017 (December 31, 2016 – $12.9 million) for which a deferred tax asset has not been recognized.

Capital loss carry forwards and other deductible temporary differences have no expiry date while the unused tax credits expire in 2020.

The Company has $474.9 million (2016 – $410.5 million) of taxable temporary differences associated with its investments in subsidiaries for which deferred income tax has not been recognized, as the Company is able to control the timing of the reversal of the taxable temporary differences and it is probable that they will not reverse in the foreseeable future.

The Company is subject to taxes in Canada, Mexico and Finland, each with varying statutes of limitations. Prior taxation years generally remain subject to examination.

24. EMPLOYEE BENEFITS AND COMPENSATION OF KEY MANAGEMENT PERSONNEL

During the year ended December 31, 2017, employee benefits expense was $526.8 million (2016 – $479.1 million). There were no related party transactions in 2017 or 2016 other than compensation of key management personnel. Key management personnel include the members of the Board and the senior leadership team.

The following table sets out the compensation of key management personnel:

	Year Ended December 31,	
	2017	2016
Salaries, short-term incentives and other benefits	$13,852	$16,620
Post-employment benefits	1,928	1,489
Share-based payments	16,331	13,591
Total	$32,111	$31,700

(thousands of United States dollars, except share and per share amounts, unless otherwise indicated)

25. COMMITMENTS AND CONTINGENCIES

As part of its ongoing business and operations, the Company has been required to provide assurance in the form of letters of credit for environmental and site restoration costs, custom credits, government grants and other general corporate purposes. As at December 31, 2017, the total amount of these guarantees was $349.0 million.

Certain of the Company's properties are subject to royalty arrangements. The following are the most significant royalty arrangements:

- The Company has a royalty agreement with the Finnish government relating to the Kittila mine. Starting 12 months after the Kittila mine's operations commenced, the Company has been required to pay 2.0% on net smelter returns, defined as revenue less processing costs. The royalty is paid on an annual basis in the following year.
- The Company is committed to pay 2.0% net smelter return on the Barsele property in Sweden. The net smelter return is defined as gross proceeds less refining costs. Payment is required quarterly one month in arrears. The Company has a buyout option to repurchase the royalty for consideration of US$5 million.
- The Partnership is committed to pay a royalty on production from certain properties in Quebec, Canada. The type of royalty agreements include, but are not limited to, net smelter return royalties, with percentages ranging from 1.5% to 5.0%.
- The Company is committed to pay a royalty on production from certain properties in Quebec, Canada. The type of royalty agreements include, but are not limited to, net profits interest royalties and net smelter return royalties, with percentages ranging from 2.5% to 5.0%.
- The Company is committed to pay a royalty on production from certain properties in Mexico. The type of royalty agreements include, but are not limited to, net smelter return royalties, with percentages ranging from 0.5% to 3.5%.

The Company regularly enters into various earn-in and shareholder agreements, often with commitments to pay net smelter return and other royalties.

The Company had the following purchase commitments as at December 31, 2017, of which $264.3 million related to capital expenditures:

	Purchase Commitments
2018	$270,603
2019	15,533
2020	7,424
2021	5,613
2022	2,467
Thereafter	17,092
Total	$318,732

26. ONGOING LITIGATION

On August 2, 2016, Canadian Malartic General Partnership ("CMGP"), a general partnership jointly owned by the Company and Yamana (the "Partnership"), was served with a class action lawsuit filed in the Superior Court of Quebec with respect to allegations involving the Canadian Malartic mine. The complaint is in respect of "neighbourhood annoyances" arising from

26. ONGOING LITIGATION (Continued)

dust, noise, vibrations and blasts at the mine. The plaintiffs are seeking damages in an unspecified amount as well as punitive damages in the amount of C$20 million. The class action was certified in May 2017. In November 2017, a declaratory judgment was issued allowing the Partnership to settle individually with class members for 2017. The plaintiffs have filed an application for leave to appeal from this judgment. Leave to appeal was granted on January 11, 2018 and the appeal will be heard on June 8, 2018. On December 11, 2017, hearings were completed in respect of certain preliminary matters, including the Partnership's application for partial dismissal of the class action. Judgment was rendered on the preliminary matters and the partial dismissal of the class action was granted, removing the period of August 2013 to June 2014 from the class period. The Company and the Partnership will take all necessary steps to defend themselves from this lawsuit.

On August 15, 2016, the Partnership received notice of an application for injunction relating to the Canadian Malartic mine, which had been filed under the Environment Quality Act (Quebec). A hearing related to an interlocutory injunction was completed on March 17, 2017 and a decision of the Superior Court of Quebec dismissed the injunction. An application for permanent injunction is currently pending. The Company and the Partnership have reviewed the injunction request, consider the request without merit and will take all reasonable steps to defend against this injunction. These measures include a motion for the dismissal of the application for injunction, which has been filed and will be heard at a date that has yet to be determined. While at this time the potential impacts of the injunction cannot be definitively determined, the Company expects that if the injunction were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in production and shift reductions resulting in the loss of jobs.

On June 1, 2017, the Partnership was served with an application for judicial review to obtain the annulment of a governmental decree authorizing the expansion of the Canadian Malartic mine. The Partnership is an impleaded party in the proceedings. The Company and the Partnership have reviewed the application for judicial review, consider the application without merit and will take all reasonable steps to defend against this application. The hearing on the merits is scheduled to take place in October 2018. While the Company believes it is highly unlikely that the annulment will be granted, the Company expects that if the annulment were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in anticipated future production.

27. SUBSEQUENT EVENTS

Dividends Declared

On February 14, 2018, Agnico Eagle announced that the Board approved the payment of a quarterly cash dividend of $0.11 per common share (a total value of approximately $25.5 million), paid on March 15, 2018 to holders of record of the common shares of the Company on March 1, 2018.

2018 Notes Issuance

On February 27, 2018, the Company entered into a note purchase agreement with certain institutional investors, providing for the issuance of guaranteed senior unsecured notes consisting of $45 million 4.38% Series A senior notes due 2028, $55 million 4.48% Series B senior notes due 2030 and $250 million 4.63% Series C senior notes due 2033 (collectively, the "2018 Notes"). The 2018 Notes are expected to be issued on or about April 5, 2018.

CMC Exploration Asset Purchase

On December 21, 2017, the Company announced it had entered into an agreement to acquire all of the Canadian exploration assets of CMC, including the Kirkland Lake and Hammond Reef Gold projects and additional mining claims and assets located in Ontario and Quebec (the "CMC Transaction"). The CMC Transaction is structured as an asset deal, whereby the Company will acquire all of Yamana's indirect 50% interest in the Canadian exploration assets of CMC, giving the Company 100% ownership of CMC's interest in the assets on closing of the CMC Transaction. The effective purchase price after the distribution of the sale proceeds by CMC to its shareholders will be $162.5 million in cash. The CMC Transaction is subject to

27. SUBSEQUENT EVENTS (Continued)

the receipt of government, First Nations and other third party consents, as well as other customary conditions. The CMC Transaction is expected to close on or around March 28, 2018 in respect of those assets which CMC can then convey (or such other date as the parties may agree), with subsequent closings thereafter as CMC obtains the requisite consents to transfer.

Purchase of Orla Mining Ltd. Units

On February 15, 2018, the Company completed the purchase of 1,740,500 units ("Units") of Orla Mining Ltd. ("Orla") at a price of C$1.75 per Unit for total cash consideration of C$3.0 million. Each Unit is comprised of one common share of Orla (a "Common Share") and one-half of one common share purchase warrant of Orla (each full common share purchase warrant, a "Warrant"). Each Warrant entitles the holder to acquire one Common Share at a price of C$2.35 prior to February 15, 2021. Upon closing of the transaction, the Company held 17,613,835 Common Shares and 870,250 Warrants, representing approximately 9.86% of the issued and outstanding Common Shares on a non-diluted basis and approximately 10.30% of the issued and outstanding Common Shares on a partially-diluted basis assuming exercise of the Warrants held by the Company.

Shareholder Information

Auditors
Ernst & Young LLP

Solicitors
Davies Ward Philips & Vineberg LLP
(Toronto and New York)

Listings
New York Stock Exchange and
Toronto Stock Exchange

Stock Symbol: AEM

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Annual Meeting of Shareholders
Friday, April 27, 2018 at 11:00 AM (E.D.T.)
Delta Hotel (SoCo Ballroom)
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Agnico Eagle's mission is to build a high-quality, easy-to-understand business—one that generates superior long-term returns for our shareholders, creates a great place to work for our employees, and contributes positively to the communities in which we operate.

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