

# aemtoday

AEM

Agnico-Eagle Mines Limited  
Corporate Update – September 2010



gold

Member of the World Gold Council [www.gold.org](http://www.gold.org)

# Forward Looking Statements

AEM

The information in this document has been prepared as at September 16, 2010. Certain statements contained in this document constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward looking information under the provisions of Canadian provincial securities laws. When used in this document, the words “anticipate”, “expect”, “estimate”, “forecast”, “will”, “planned”, and similar expressions are intended to identify forward-looking statements or information.

Such statements include without limitation: statements regarding timing and amounts of capital expenditures and other assumptions; estimates of future reserves, resources, mineral production, optimization efforts and sales; estimates of mine life; estimates of future internal rates of return, mining costs, cash costs, minesite costs and other expenses; estimates of future capital expenditures and other cash needs, and expectations as to the funding thereof; statements and information as to the projected development of certain ore deposits, including estimates of exploration, development and production and other capital costs, and estimates of the timing of such exploration, development and production or decisions with respect to such exploration, development and production; estimates of reserves and resources, and statements and information regarding anticipated future exploration; the anticipated timing of events with respect to the Company's minesites and statements and information regarding the sufficiency of the Company's cash resources. Such statements and information reflect the Company's views as at the date of this document and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements and information. Many factors, known and unknown could cause the actual results to be materially different from those expressed or implied by such forward looking statements and information. Such risks include, but are not limited to: the volatility of prices of gold and other metals; uncertainty of mineral reserves, mineral resources, mineral grades and mineral recovery estimates; uncertainty of future production, capital expenditures, and other costs; currency fluctuations; financing of additional capital requirements; cost of exploration and development programs; mining risks; community protests; risks associated with foreign operations; governmental and environmental regulation; the volatility of the Company's stock price; and risks associated with the Company's byproduct metal derivative strategies. For a more detailed discussion of such risks and other factors that may affect the Company's ability to achieve the expectations set forth in the forward-looking statements contained in this document, see the Company's Annual Report on Form 20-F for the year ended December 31, 2009, as well as the Company's other filings with the Canadian Securities Administrators and the U.S. Securities and Exchange Commission. The Company does not intend, and does not assume any obligation, to update these forward-looking statements and information. Marc Legault, a Qualified Person and the Company's Vice-President, Project Development, reviewed the technical information disclosed herein. For a detailed breakdown of the Company's reserve and resource position see the February 17, 2010 press release on the Company's website. That press release also lists the Qualified Persons for each project.

# Note To Investors

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## Regarding the Use of Non-GAAP Financial Measures

This document presents estimates of future "total cash cost per ounce" and "minesite cost per tonne" that are not recognized measures under United States generally accepted accounting principles ("US GAAP"). This data may not be comparable to data presented by other gold producers. These future estimates are based upon the total cash costs per ounce and minesite costs per tonne that the Company expects to incur to mine gold at the applicable projects and do not include production costs attributable to accretion expense and other asset retirement costs, which will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-GAAP financial measures to the most comparable GAAP measure. A reconciliation of the Company's total cash cost per ounce and minesite cost per tonne to the most comparable financial measures calculated and presented in accordance with US GAAP for the Company's historical results of operations is set forth in the notes to the financial statements included in the Company's Annual Information Form and Annual Report on Form 20-F, for the year ended December 31, 2009, as well as the Company's other filings with the Canadian Securities Administrators and the SEC.



# quality



## Focused On Increasing Cash Flow Per Share

- > Increase gold production
  - Targeting 2010 gold production of 1.0 million to 1.1 million oz
  - Optimizations and internal expansions expected to contribute to steady production growth through 2015
- > Grow gold reserves
  - Record gold reserves of 18.4 million ounces\*
- > Acquire small, think big
  - Focus on early-stage M&A with little share dilution
- > Be a low-cost leader
  - Costs expected to remain below industry average
- > Maintain a solid financial profile
  - Available liquidity of approximately \$1.2 billion
  - Increasing net free cash flow



\* See attached reserve and resource tables

# AEM has been TRANSFORMED

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## Six operating gold mines with FURTHER GROWTH coming

- |      |  |
|------|--|
| 1957 | > Four silver miners in Cobalt, Ontario merge to become Agnico Mines Limited |
| 1972 | > Agnico merges with Eagle Gold Mines to become Agnico-Eagle Mines Limited   |
| 1988 | > Flag-ship LaRonde mine begins operation. Expanded four times through 2003  |
| 2008 | > Goldex mine begins operation   |
| 2009 | > Kittila, Lapa, Pinos Altos mines begin operation                           |
| 2010 | > Meadowbank mine begins operation   |



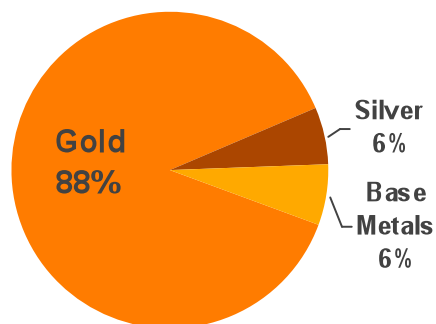
# Operating Results

2010 production forecast on track for 1.0 million to 1.1 million ounces of gold

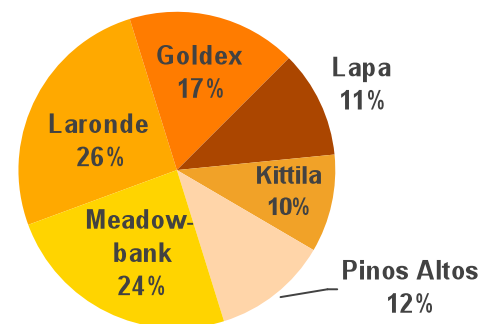
Q2 2010 Operating Results	Total Cash Costs	Payable Production	% of Production
	\$/oz	Gold oz	
LaRonde	\$270	41,533	16%
Goldex	\$324	48,334	19%
Kittila	\$607	31,593	12%
Lapa	\$545	28,927	11%
Pinos Altos <sup>1</sup>	\$415	29,665	12%
Meadowbank	\$663	77,676	30%
<b>Total</b>	<b>\$487</b>	<b>257,728</b>	<b>100%</b>

<sup>1</sup> Pinos Altos production includes heap leach

Q2'10 Revenue By Metal



Q2'10 Revenue By Mine



# Strong Financial Position

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Only 184 million shares outstanding, fully diluted, over 53 years of operating history

All amounts are in US\$, unless otherwise indicated

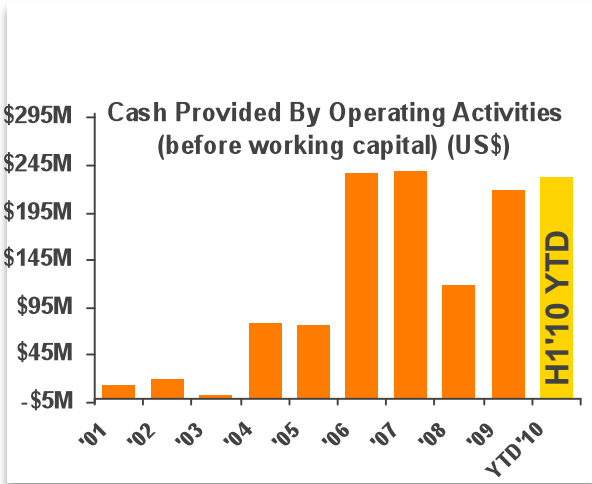
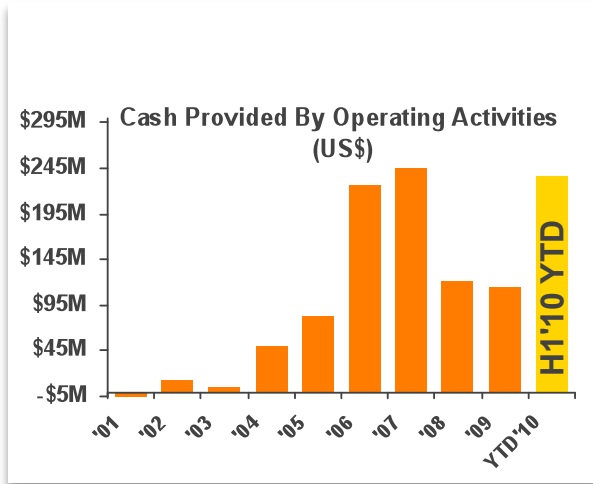
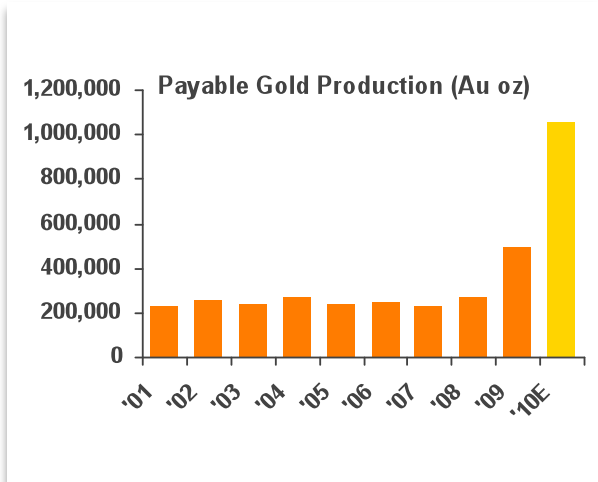
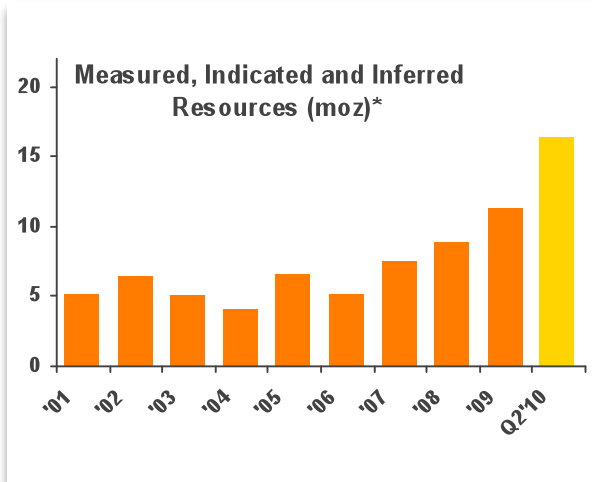
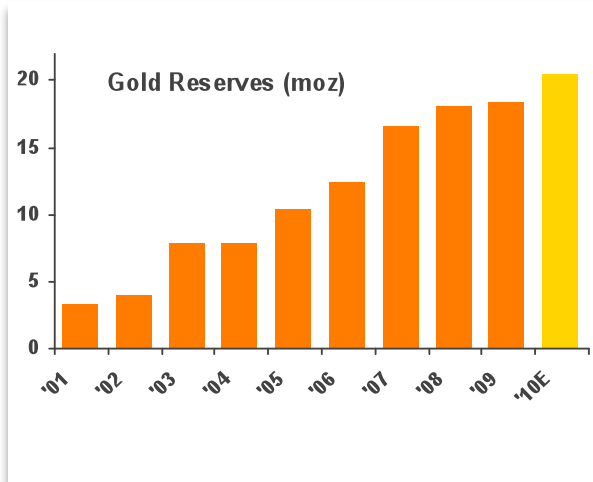
	Pro Forma June 30 2010*
Cash and cash equivalents (millions)	\$152.8
Available credit facilities (millions)	\$1,035.0
<b>Total available liquidity (millions)</b>	<b>\$1,187.8</b>
<b>Long term debt (millions)</b>	<b>\$735.0</b>
<b>Common shares outstanding (millions)</b>	<b>167.3</b>
<b>Common shares, fully diluted (millions)</b>	<b>184.1</b>

\* Including the issuance of 10.2 million shares associated with the acquisition of Meliadine, as per press release dated July 6, 2010



# The Market Pays For Growth

AEM is focused on increasing shareholder exposure to gold and generating superior financial metrics - on a per share basis

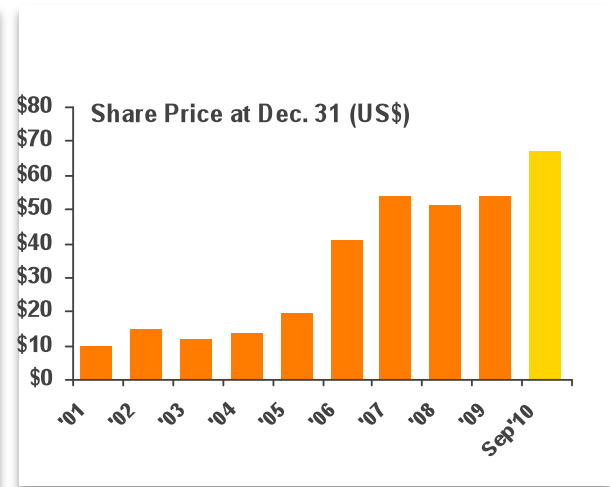
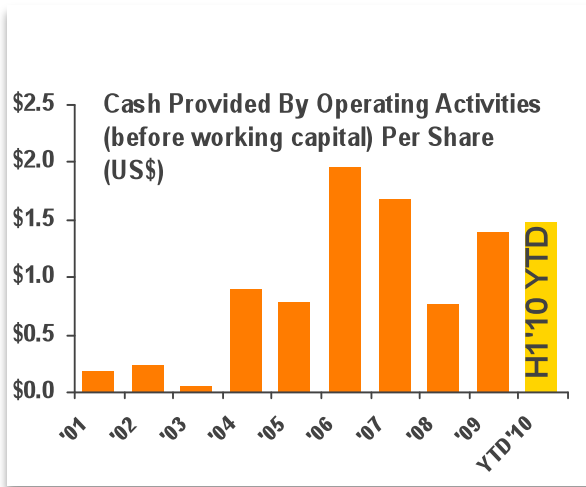
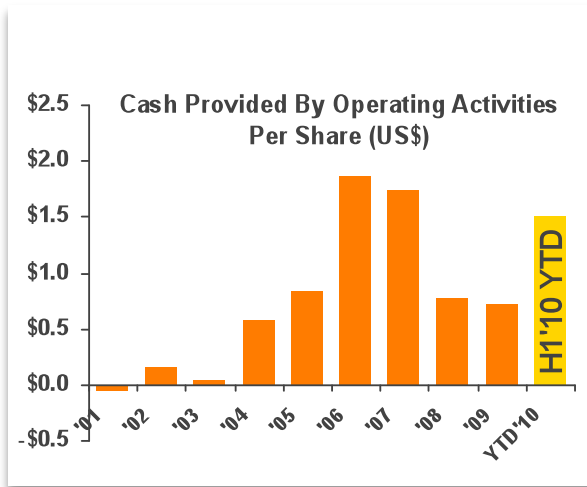
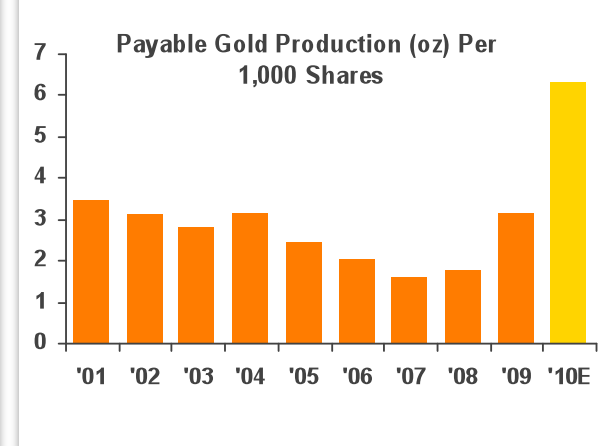
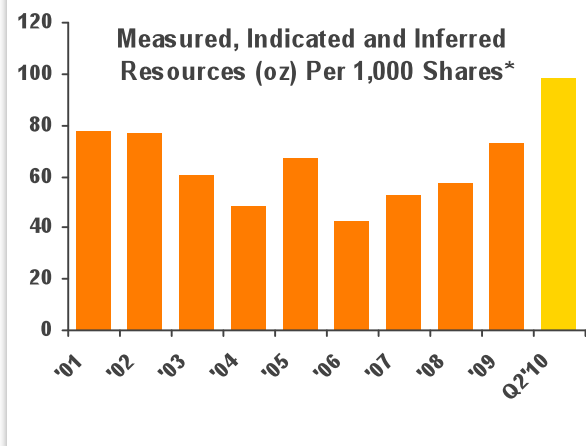
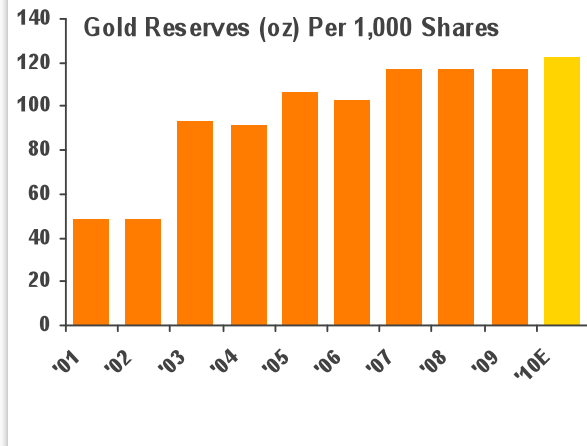


\* Includes Meliadine acquisition, which closed in July 2010

# The Market Pays For Growth

AEM is focused on increasing shareholder exposure to gold and generating superior financial metrics - on a per share basis

## Per Share Metrics



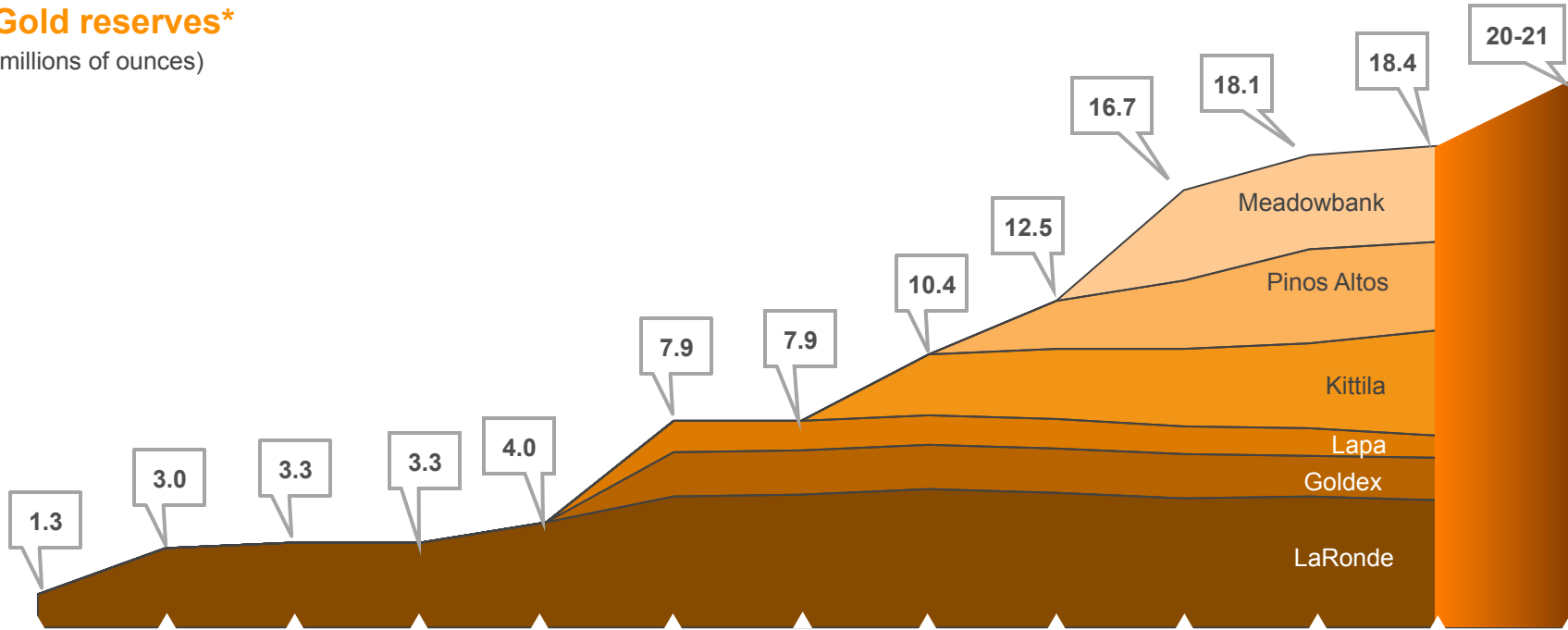
\* Includes Meliadine acquisition, which closed in July 2010

# Growing Exposure To Gold

Shares outstanding increased only 3.1 times since 1998. Gold reserves up 14.2 times

- > Uniquely positioned with potential for up to five deposits with at least 5 million ounces of gold reserves
- > Reserves do not include 16.4 million ounces of gold resources (including Meliadine deposit)

**Gold reserves\***  
(millions of ounces)



EST.

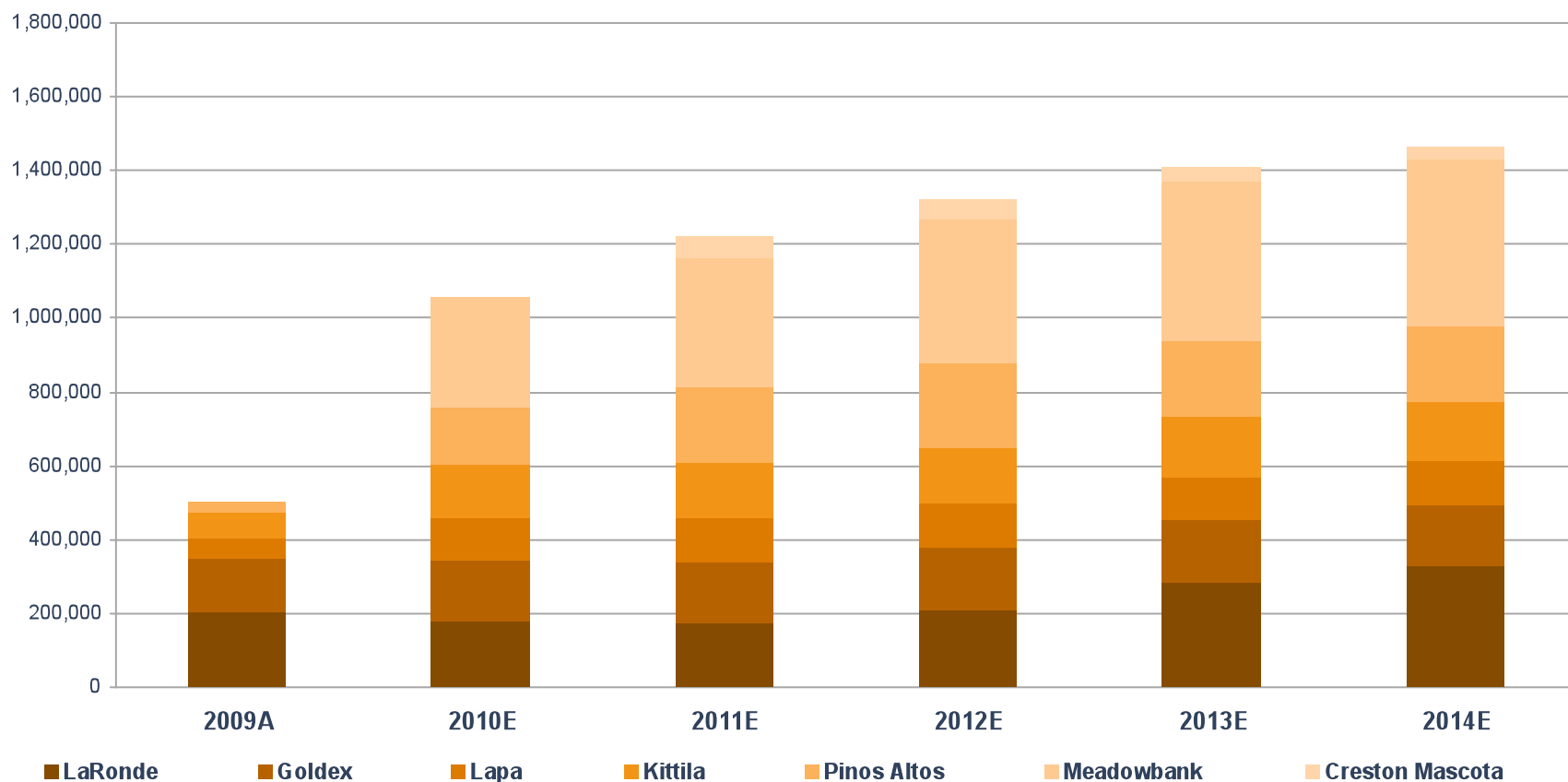
\* See attached reserve and resource tables

# Fully Funded Growth Continues

Three potential internal expansions and Meliadine deposit expected to add to this profile

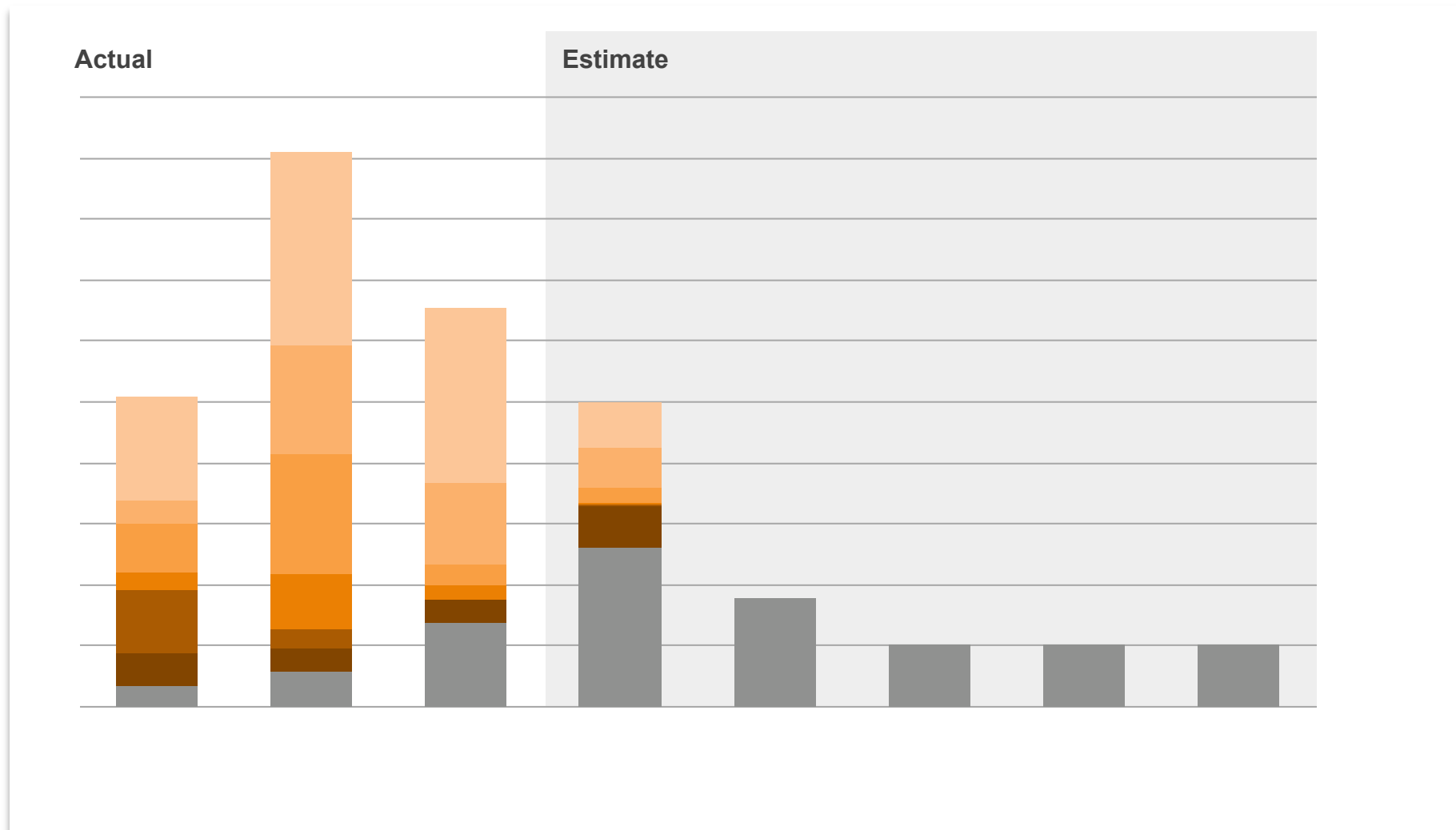
## Payable Gold Production Estimates

(ounces)



# Capital Expenditure Estimates

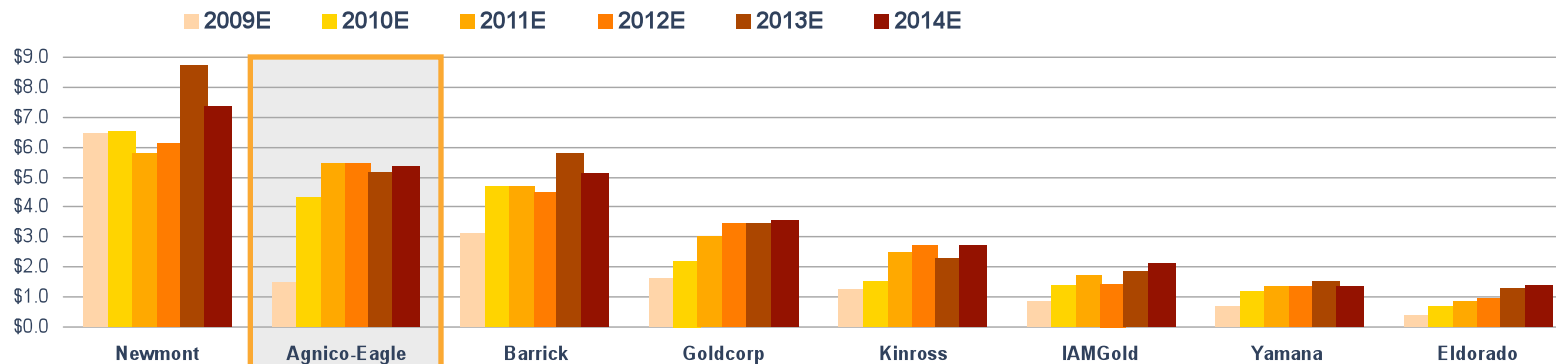
Three potential internal expansions and Meliadine not included in this estimate



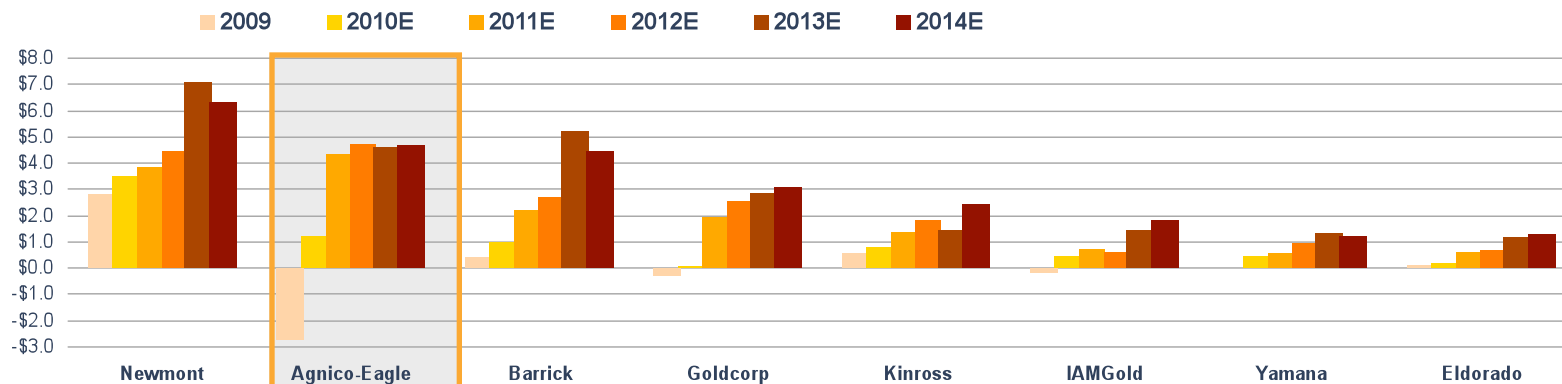
# Industry Leader in Cash Generation Going Forward

AEM is in a different phase than many peers

## Cash Flow Per Share



## Free Cash Flow Per Share



Total FCF / share '10-'14E:	Newmont	<b>Agnico-Eagle</b>	Barrick	Goldcorp	Kinross	IAMGold	Yamana	Eldorado
	\$25.16	\$19.49	\$15.57	\$10.49	\$7.82	\$5.04	\$4.47	\$3.85

Source: BofA Merrill Lynch estimates – Sept/10; Gold assumptions (US\$/oz): 2010 – 2014: \$1245

# growth



# LaRonde – Canada

## The flagship that helped fund the growth

### > Operations

- Has operated at steady state since final expansion in 2003
- Start of production from Extension expected by late 2011

### > 2010 Second Half

- Steady state operation continues

### > 2010 Exploration

- Focus on resource exploration, additional potential at depth and to the East
- Drilling extension of Westwood zone on Ellison



Gold reserves (m oz)	4.8
Average reserve grade (g/t)	4.4
Measured & Indicated resource (m oz)	0.4
Inferred resource (m oz)	1.4
Est. LOM (years)	13
Estimated average production (k oz/yr)	324
2010 exploration budget	\$4M



# Goldex – Canada

## Strong free cash flow generator

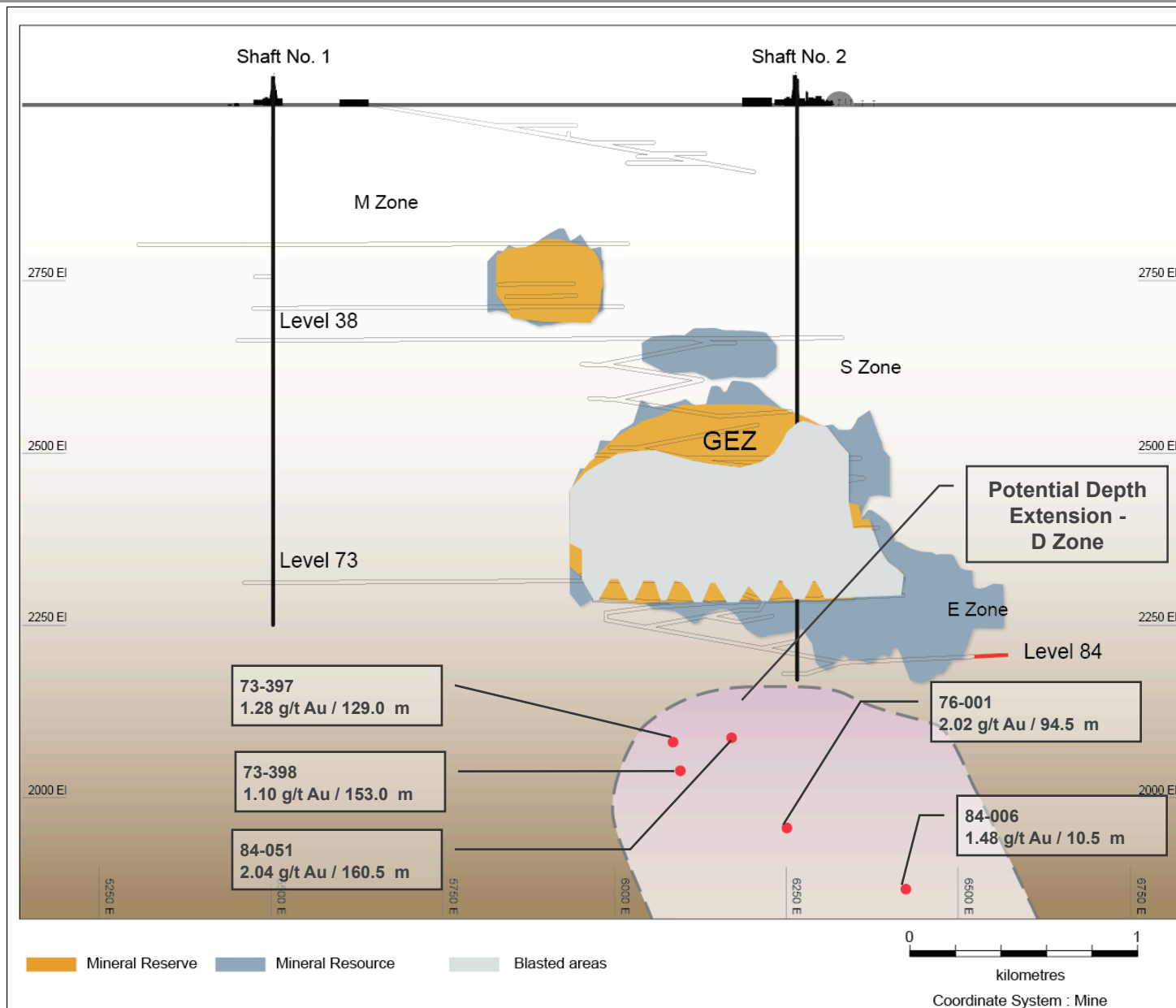
- > Operations
  - Production rate from 6,900 tpd to 8,000 tpd by 2011
  - Drilling and blasting ~1.5 years ahead of schedule
- > 2010 Second Half
  - Steady state operation continues
  - Development of satellite zones underway
- > 2010 Exploration
  - Focus on resource conversion, exploration to west, east and at depth
  - Drilling results at deeper D zone suggest similarity to GEZ



Gold reserves (m oz)	1.6
Average reserve grade (g/t)	2.1
Measured & Indicated resource (m oz)	0.0
Inferred resource (m oz)	0.8
Est. LOM (years)	7
Estimated average production (k oz/yr)	168
2010 exploration budget	\$3M



# Goldex Mine - Longitudinal Section



# Lapa – Canada

## Steady state mine – good tonnage and cost performance

- > Operations
  - Tonnage exceeding plan. Mill recoveries nearing design
- > 2010 Second Half
  - Steady state operation continues
- > 2010 Exploration
  - Focus on resource conversion, further exploration upside at depth and to the East



Gold reserves (m oz)	0.8
Average reserve grade (g/t)	8.2
Measured & Indicated resource (m oz)	0.2
Inferred resource (m oz)	0.1
Est. LOM (years)	5
Estimated average production (k oz/yr)	115
2010 exploration budget	\$3M



# Kittila – Finland

## Optimization phase continues

### > Operations

- Reduction of chloride content in autoclave improved recoveries at the end of Q2
- Last 60 days mill recoveries averaged approximately 80%

### > 2010 Second Half

- Improving throughput and recoveries expected to increase gold production and reduce unit costs

### > 2010 Exploration

- Focus on resource conversion, expansion below Suuri and Roura, and along strike

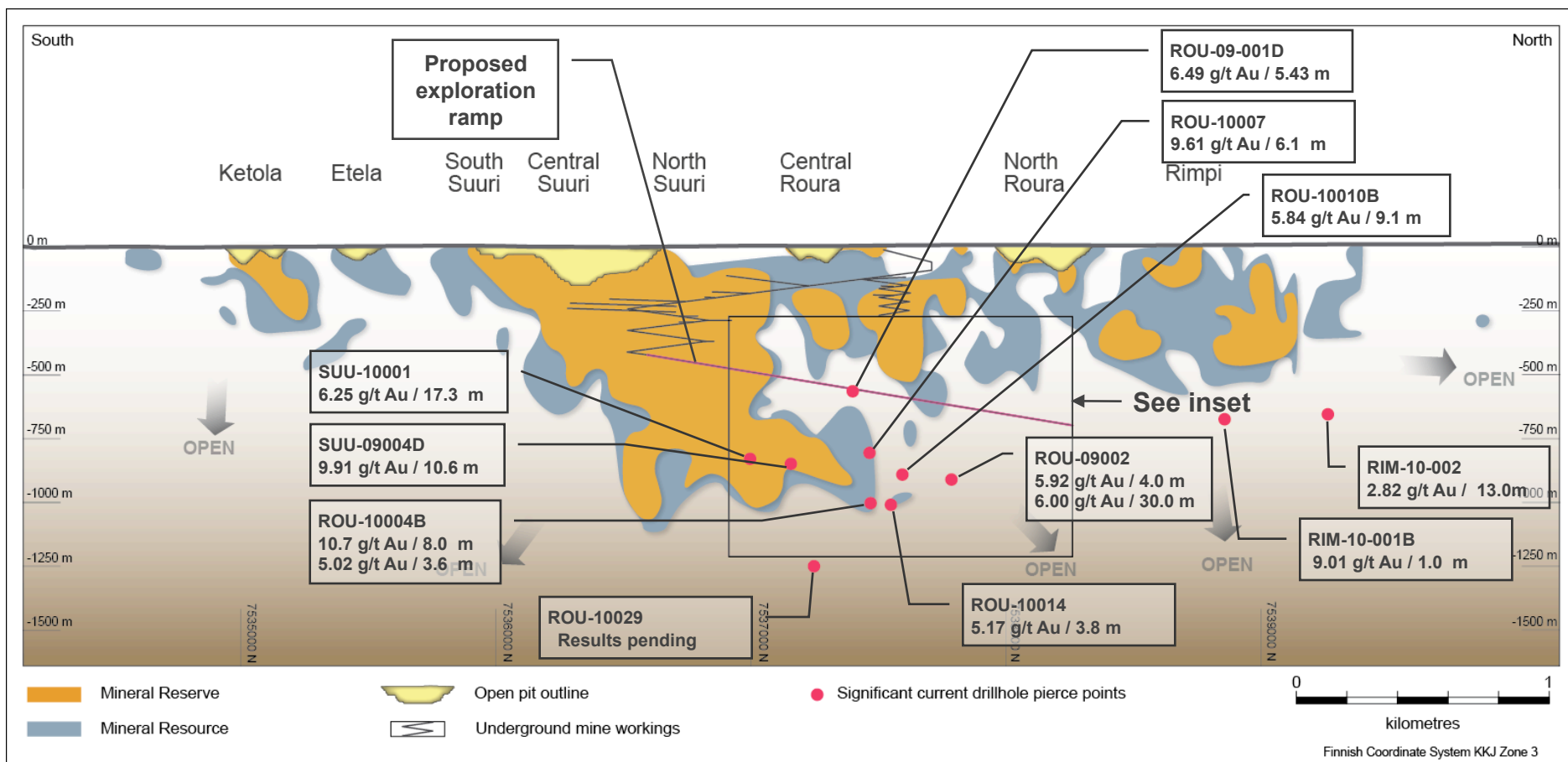


Gold reserves (m oz)	4.0
Average reserve grade (g/t)	4.8
Measured & Indicated resource (m oz)	1.4
Inferred resource (m oz)	0.6
Est. LOM (years)	22
Estimated average production (k oz/yr)	150
2010 exploration budget	\$16M

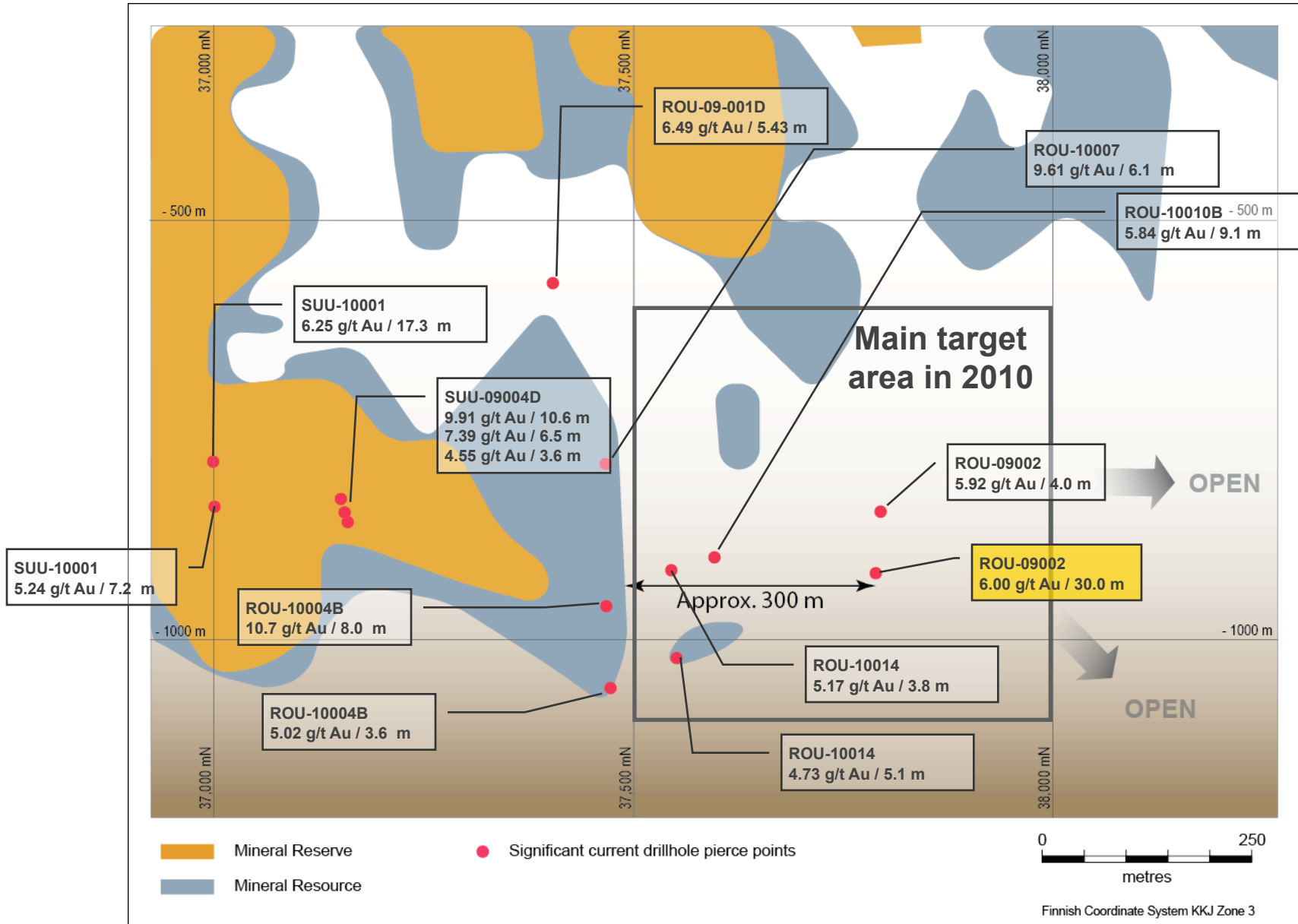


# Kittila Mine - Longitudinal Section

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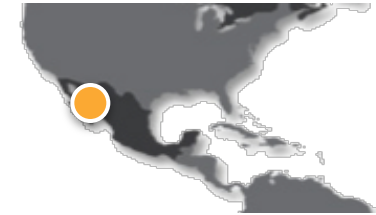
# Kittila Mine - Longitudinal Section Inset



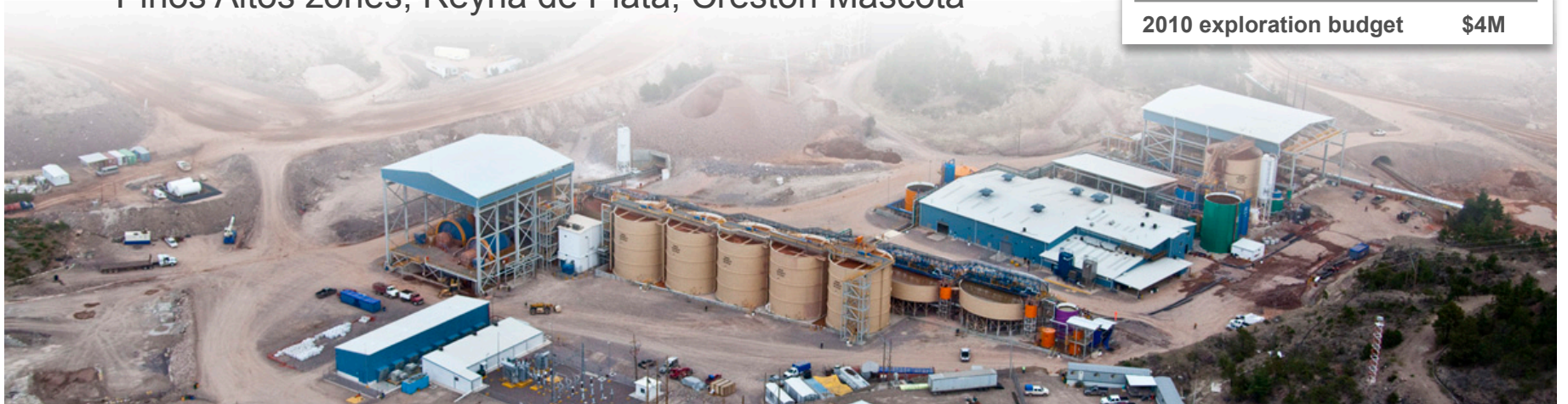
# Pinos Altos – Mexico

## Exploration success adding to growth opportunities

- > Operations
  - First underground stopes successfully extracted
  - Commissioning of Creston Mascota crushing plant underway
- > 2010 Second Half
  - Improving throughput and gold production with additional tailings filters
- > 2010 Exploration
  - Potential to develop additional satellite deposits (Cubiro, Sinter, San Eligio)
  - Focus on resource conversion, expansion of Pinos Altos zones, Reyna de Plata, Creston Mascota

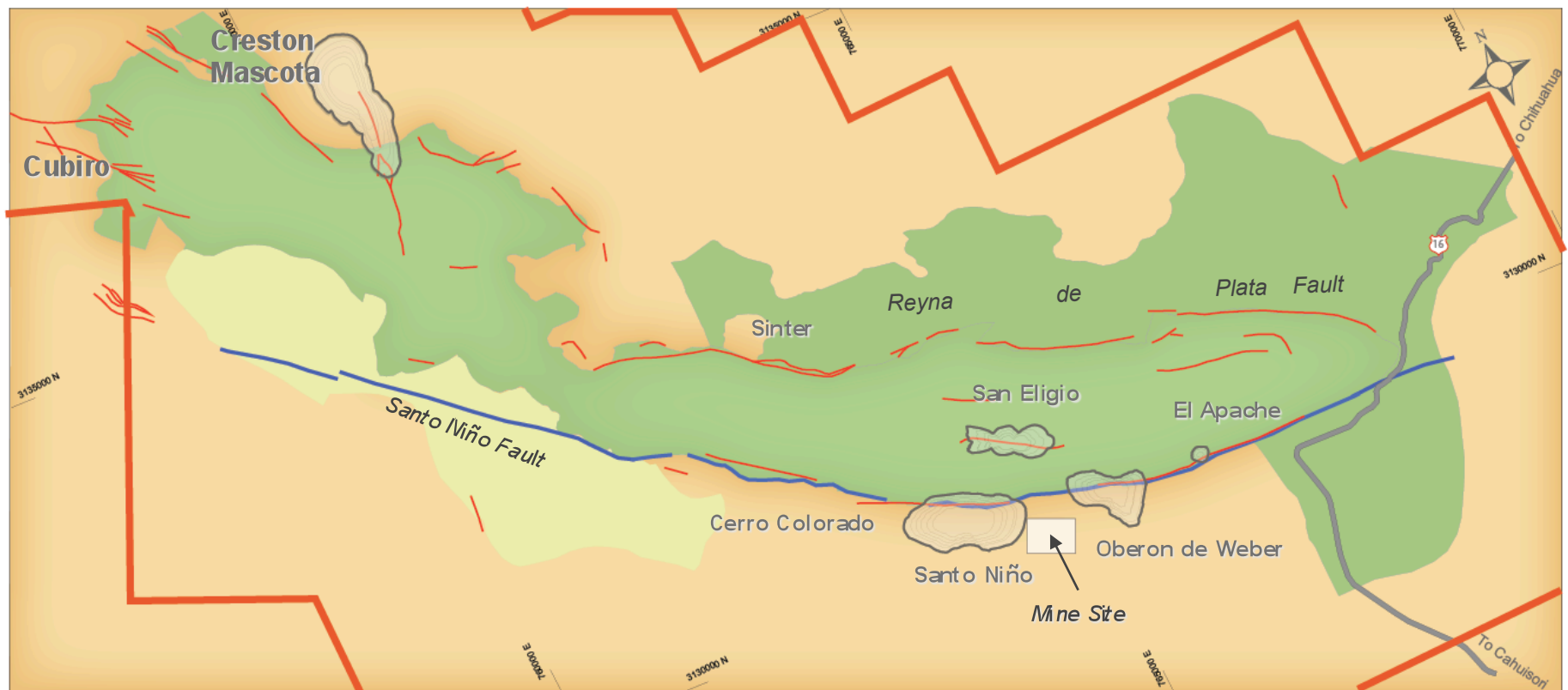


Gold reserves (m oz)	3.4
Average reserve grade (g/t)	2.5
Measured & Indicated resource (m oz)	0.5
Inferred resource (m oz)	0.7
Est. LOM (years)	18
Estimated average production (k oz/yr)	170
2010 exploration budget	\$4M



# Pinos Altos Mine - Property Geology Map

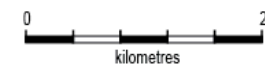
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- Colluvium
- Sierra Madre Occidental*
- Upper Volcanic Group
- Lower Volcanic Group

- Veins
- Santo Nino Fault

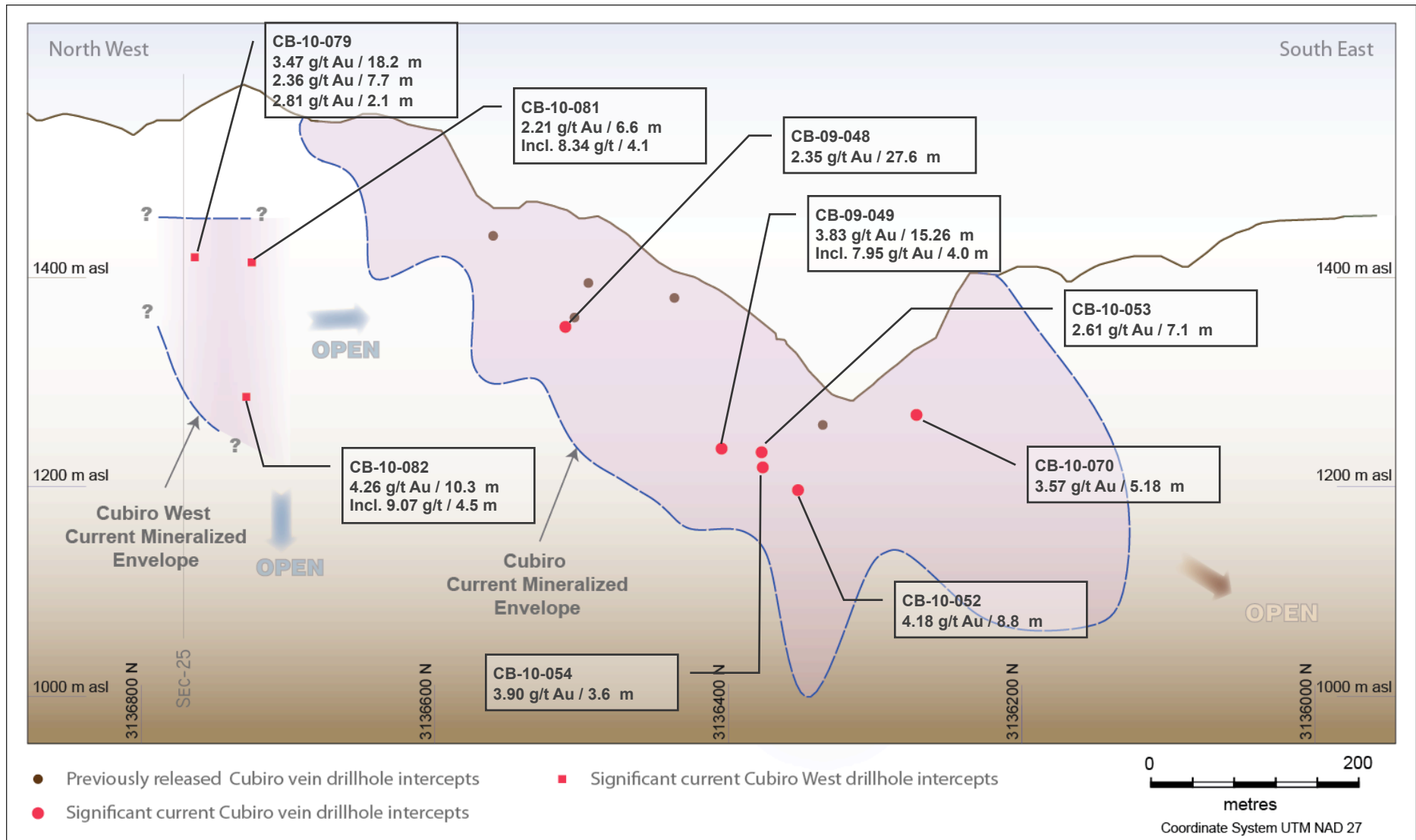
- AEM Property Outline
- Hwy & roads
- Open Pit Outline



Coordinate System UTM NAD 27

# Cubiro Deposit - Composite Longitudinal Section

Cubiro West zone located ~200m southwest of main Cubiro zone



# Meadowbank – Canada

## Newest mine - Largest gold producer already

### > Operations

- Mill processed an average 6,300 tpd in Q2, 2010
- Temporary secondary crusher installed. Now approaching design throughput of 8,500 tpd

### > 2010 Second Half

- Improved throughput expected to result in higher gold production and lower unit costs

### > 2010 Exploration

- Focus on resource conversion and expansion of Vault, Goose South and Portage



Gold reserves (m oz)	3.7
Average reserve grade (g/t)	3.5
Measured & Indicated resource (m oz)	3.3
Inferred resource (m oz)	0.8
Est. LOM (years)	10
Estimated average production (k oz/yr)	350
2010 exploration budget	\$6M



# Meliadine Project, Rankin Inlet, Nunavut

**6% Share dilution for 44% increase in Company's gold resources**

**\$129M – Three year exploration & development program underway**

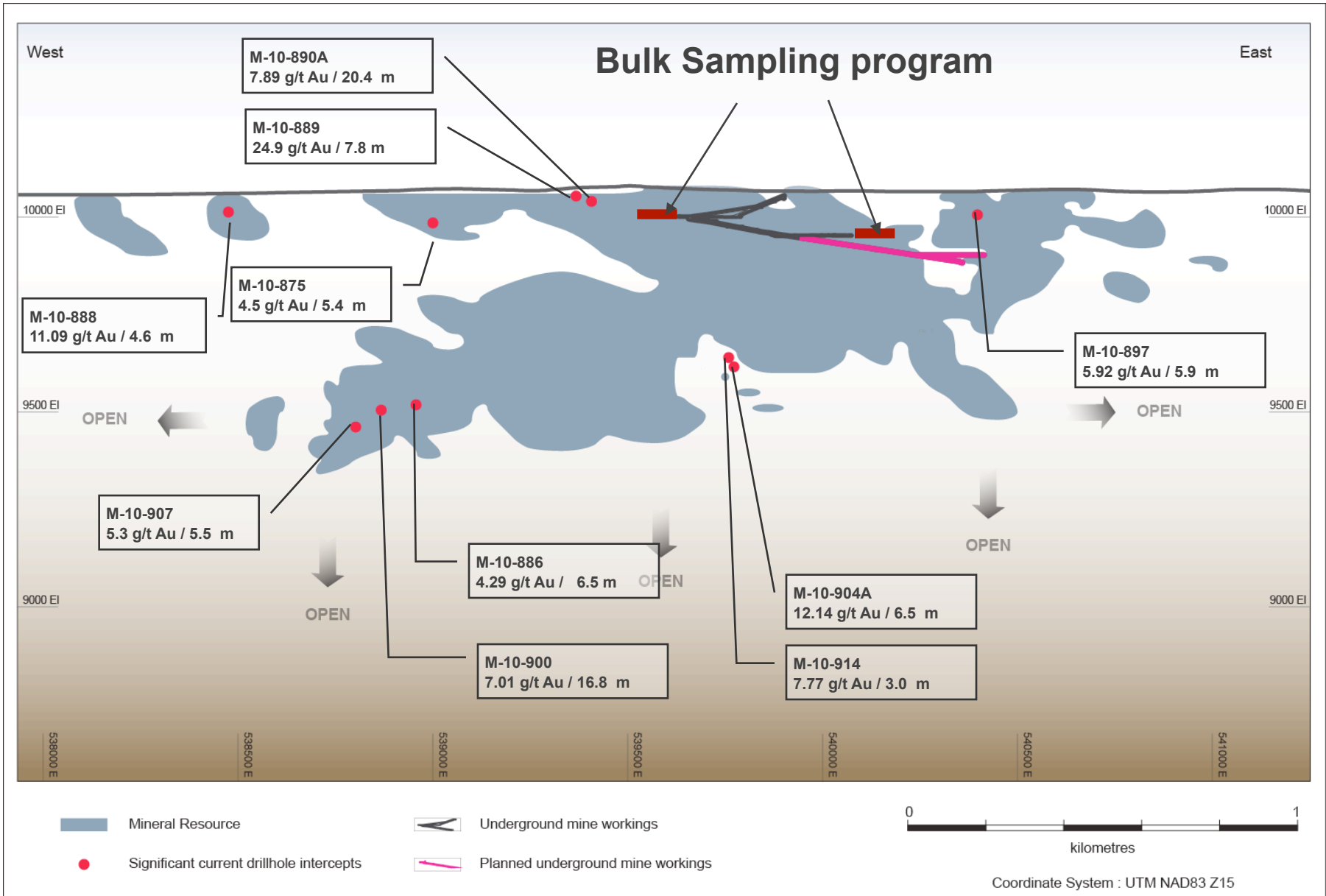
	Tonnes	Grade (g/t)	Contained gold ounces
Measured Resource	0.3 million	10.6	101,000 oz Au*
Indicated Resource	13 million	7.9	3,191,000 oz Au*
Inferred Resource	8 million	6.4	1,731,000 oz Au*



\* As per Jan. 12, 2010 technical report by Snowden Mineral Industry Consultants

# Meliadine Project - Tiriganiaq Longitudinal Section

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## > Continued focus on growth in PER SHARE metrics

- Resources – Comaplex acquisition increased resources by 44% with only 6% share dilution
- Reserves – Expecting another year of record reserves with a target of 20-21 million oz of gold
- Production – Targeting record gold production of 1.0 million to 1.1 million oz in 2010
- Net Free Cash Flow – Expecting one of the strongest profiles in the industry through 2014

## > 100% of reserves at operating assets

- All operations in low political risk, mining friendly jurisdictions

## > Significant exploration potential at existing operations

- AEM owns five gold deposits with 5+ million oz potential

## > Internal expansions to add to one of the strongest growth profiles

# appendix



# Gold and Silver Reserves and Resources

(December 31, 2009 including Meliadine resources as at January 2010)



Tonnes (000's)	Gold (g/t)	Gold (ounces) (000's)
-------------------	---------------	-----------------------------

<b>Proven</b>	12,605	2.71	1,098
<b>Probable</b>	149,852	3.59	17,300
<b>Total Reserves</b>	<b>162,458</b>	<b>3.52</b>	<b>18,398</b>
<b>Measured &amp; Indicated</b>	102,531	2.90	9,573
<b>Inferred</b>	64,845	3.29	6,849



Tonnes (000's)	Silver (g/t)*	Silver (ounces) (000's)
-------------------	------------------	-------------------------------

<b>Proven</b>	5,635	56.39	10,216
<b>Probable</b>	70,706	52.54	119,432
<b>Total Reserves</b>	<b>76,341</b>	<b>52.82</b>	<b>129,648</b>
<b>Indicated</b>	22,151	26.28	18,720
<b>Inferred</b>	26,616	17.93	15,341

\*Calculated grades

# Copper, Zinc and Lead Reserves and Resources

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(December 31, 2009)



**Tonnes**  
(000's)    **Copper**  
(%)    **Copper**  
(tonnes)

<b>Proven</b>	4,755	0.26	12,301
<b>Probable</b>	29,625	0.29	84,956
<b>Total Reserves</b>	<b>34,380</b>	<b>0.28</b>	<b>97,258</b>
<b>Indicated</b>	6,482	0.13	8,736
<b>Inferred</b>	10,942	0.27	29,036



**Tonnes**  
(000's)    **Zinc**  
(%)    **Zinc**  
(tonnes)

<b>Proven</b>	4,755	3.31	157,540
<b>Probable</b>	29,625	1.16	344,732
<b>Total Reserves</b>	<b>34,380</b>	<b>1.46</b>	<b>502,272</b>
<b>Indicated</b>	6,482	1.52	98,321
<b>Inferred</b>	10,942	0.43	46,973



**Tonnes**  
(000's)    **Lead**  
(%)    **Lead**  
(tonnes)

<b>Proven</b>	4,755	0.39	18,499
<b>Probable</b>	29,625	0.09	26,615
<b>Total Reserves</b>	<b>34,380</b>	<b>0.13</b>	<b>45,114</b>
<b>Indicated</b>	6,482	0.15	9,724
<b>Inferred</b>	10,942	0.04	4,335

# AEM

A solid financial position, low-cost structure, well-funded growth projects in regions of low political risk, and a focused, consistent strategy put Agnico-Eagle in a strong position to continue creating exceptional per share value.

**Sean Boyd**

Vice Chairman and Chief Executive Officer

**Ebe Scherkus**

President and Chief Operating Officer

**Trading Symbol: AEM on TSX & NYSE**

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