AGNICO EAGLE MINES LTD

FORM 20-F

(Annual and Transition Report (foreign private issuer))

Filed 05/20/03 for the Period Ending 12/31/02

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________TO _____________
Commission file number: 1-13422

AGNICO-EAGLE MINES LIMITED

(Exact name of Registrants Specified in its Charter)

Not Applicable

(Translation of Registrant's Name or Organization)

Ontario, Canada

(Jurisdiction of Incorporation or Organization)

145 King Street East, Suite 500
Toronto, Ontario, M5C 2Y7

(Address of Principal Executive Offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Common Shares without par value	**The Toronto Stock Exchange and the New York Stock Exchange**
(Title of Class)	(Name of exchange on which registered)

Securities registered or to be registered pursuant to Section 12(g) of the Act

Share Purchase Warrants	**The Toronto Stock Exchange and the Nasdaq National Market**
(Title of Class)	(Name of exchange on which registered)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

Convertible Subordinated Debentures due 2012

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

83,636,861 Common Shares as of December 31, 2002

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 ☐ Item 18 ☒

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* Omitted pursuant to General Instruction E(b) of Form 20-F.

** Pursuant to General Instruction E(c) of Form 20-F, the registrant has elected to provide the financial statements and related information specified in Item 18.

PRELIMINARY NOTE

Exhibit 99C: Attached hereto as Exhibit 99C is the Registrant's 2002 Annual Report containing information incorporated by reference in answer or partial answer to certain items of this Form 20-F including consolidated financial statements as at and for the years ended December 31, 2002 and 2001, and the related notes, together with the auditors' report thereon and the management's discussion and analysis of operations and financial condition for the year ended December 31, 2002.

Exhibit 99D: Attached hereto as Exhibit 99D is the Registrant's Notice of Annual Meeting of Shareholders and Management Information Circular dated April 23, 2003, used in connection with the annual meeting of shareholders to be held on June 19, 2003 containing information incorporated by reference in answer or partial answer to certain items of this Form 20-F.

Currencies: The Registrant presents its consolidated financial statements in United States dollars. All dollar amounts in this Form 20-F (and in Exhibit 99C) are stated in United States dollars (US dollars or US$), except where otherwise indicated. All dollar amounts in Exhibit 99D are stated in Canadian dollars, except where otherwise indicated. Prior to January 1, 1999, the Registrant's financial statements were expressed in Canadian dollars (C$). As a result of increased business activities denominated in US dollars, substantially all of the Registrant's revenue from mining operations denominated in US dollars, and the Registrant's substantial United States shareholder base, the US dollar has been adopted as the unit of measurement of the Registrant's operations. See "Item 3: Key Information — Selected Financial Information — Currency Exchange Rates" for a history of exchange rates of Canadian dollars into US dollars.

Generally Accepted Accounting Principles: Effective January 1, 2002, the Registrant changed its primary basis of financial reporting from Canadian generally accepted accounting principles ("Canadian GAAP") to United States generally accepted accounting principles ("US GAAP") due to its substantial US shareholder base and to maintain comparability with other gold mining companies. All references to financial results herein are to those calculated under US GAAP. Financial statements under Canadian GAAP are prepared and distributed to shareholders for statutory reporting purposes.

Forward-Looking Information: Certain statements in this Form 20-F and the documents incorporated herein by reference as Exhibits A and B constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Registrant or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, which will, among other things, impact demand for gold and other metals produced by the Registrant; industry capacity; the ability of the Registrant to implement its business strategy; and changes in, or the failure to comply with, government regulations (especially safety and environmental laws and regulations). See also "Item 3: Key Information — Risk Factors", under the subheadings "Recent Losses", "Metal Price Volatility", "Dependence on the LaRonde Division", "Uncertainty of Production Estimates", "Cost of Exploration and Development Programs", "Total Cash Operating Costs of Gold Production at the LaRonde Mine", "Restrictions in the Bank Credit Facility", "Competition for and Scarcity of Mineral Lands", "Risk of Acquisitions", "Uncertainty of Mineral Reserve and Mineral Resource Estimates", "Mining Risks and Insurance", "Laws and Regulations", "Currency Fluctuations", and "Interest Rate Fluctuations".

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Pursuant to the instructions to Item 1 of Form 20-F, this information has not been provided.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable

ITEM 3. KEY INFORMATION

Selected Financial Data

The following selected financial data for each of the years in the five-year period ended December 31, 2002 are derived from the consolidated financial statements of Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company") audited by Ernst & Young LLP. The selected financial data should be read in conjunction with management's discussion and analysis of the Company's operations and financial condition, the consolidated financial statements and accompanying notes in Exhibit 99C to this Form 20-F and other financial information included elsewhere in this Form 20-F.

	Year ended December 31,				
	2002 (1)	**2001 (1)**	**2000 (1)**	**1999 (1)**	**1998 (1)**
	(in thousands of US dollars, US GAAP basis)				
Income Statement Data					
Revenues from mining operations (2)	$ 108,027	$ 96,043	$ 63,676	$ 23,392	$ 43,201
Interest and sundry income	1,943	5,752	2,145	(5,519)	3,084
	109,970	101,795	65,821	17,873	46,285
Production costs (2)	75,969	67,009	49,997	28,447	34,535
Exploration expense	3,766	6,391	3,213	3,838	2,371
Amortization	12,998	12,658	9,220	4,479	6,171
General and administrative	5,530	4,461	4,223	4,044	3,590
Capital taxes	829	1,551	1,301	1,192	1,197
Interest	7,341	12,917	5,920	5,583	5,255
Foreign exchange (gain) loss	(1,074)	(336)	890	1,401	8,425
Write down of mining properties and other (3)	—	—	—	974	—
Income (loss) before income and mining taxes (recoveries)	4,611	(2,856)	(8,943)	(32,085)	(15,259)
Income and mining taxes (recoveries)	588	2,862	(3,906)	(13,016)	(4,766)
Income before cumulative catch-up adjustment	4,023	(5,718)	(5,037)	(19,069)	(10,493)
Cumulative catch-up adjustment relating to revenue recognition	—	—	(1,831)	—	—
Net income (loss)	$ 4,023	$ (5,718)	$ (6,868)	$ (19,069)	$ (10,493)
Net income (loss) before cumulative catch-up adjustment per share — basic and diluted	$ 0.06	$ (0.09)	$ (0.09)	$ (0.36)	$ (0.21)
Net income (loss) per share — basic and diluted	$ 0.06	$ (0.09)	$ (0.12)	$ (0.36)	$ (0.21)
Weighted average number of shares outstanding — basic	70,821,081	61,333,630	54,446,693	53,331,268	50,005,113
Weighted average number of shares outstanding — diluted	71,631,263	61,333,630	54,446,693	53,331,268	50,005,113
Total common shares outstanding	83,636,861	67,722,853	56,139,480	54,216,771	53,211,445
Dividends declared per common share	$ 0.03	$ 0.02	$ 0.02	$ 0.02	$ 0.02
Balance Sheet Data (at end of period)					
Mining properties (net)	$ 353,059	$ 301,221	$ 281,497	$ 221,067	$ 155,235
Total assets	593,807	393,464	364,333	297,015	270,408
Long-term debt (4)	143,750	151,081	186,261	131,458	114,284
Reclamation provision and other liabilities (5)	5,043	4,055	5,567	5,433	4,507
Shareholders' equity (6)	397,693	198,426	124,361	128,569	128,621

Notes:

(1) Effective January 1, 1999, the Company changed its reporting and functional currency from Canadian dollars to US dollars. All comparative figures for periods prior to January 1, 1999 have been restated in US dollars using the December 31, 1998 exchange rate of C$1.5333 per US$1.00 (see "Summary of Significant Accounting Policies — Foreign currency translation" included in the consolidated financial statements on page 41 of Exhibit 99C to this Form 20-F).

(2) Revenues from mining operations consist of gold and by-product zinc, silver and copper revenues, net of smelting, refining and transportation costs. Effective 2000, the Company changed its accounting policy with respect to revenue recognition. As a result of the change, revenue from concentrates is recognized when legal title passes to custom smelters and is valued on an estimated net realizable value basis. Periodic adjustments on the final settlement of concentrates previously sold to smelters are included in revenue as soon as the amount can be reasonably determined. Revenue from gold and silver in the form of dore bars is recorded when the refined gold and silver are sold and also included in revenues from mining operations. Prior to this change, the Company recognized revenues from concentrates on a production basis. Under this basis of accounting, revenue was recognized once the ore was extracted and processed at the onsite mill facilities. The accounting change was accounted for as a cumulative catch-up adjustment and resulted in a loss of $1.8 million or $0.03 per share in 2000.

(3) On August 31, 1999, the Company settled a lawsuit commenced by Noranda Inc. ("Noranda") relating to the acquisition of Dumagami Mines Inc. for $1.3 million (C$1.9 million), of which C$950,000 was paid on signing of settlement documentation and the remaining C$950,000 was paid in August 2000. The lawsuit was dismissed without costs.

(4) On February 15, 2002, Agnico-Eagle issued $143.8 million aggregate principal amount of 4.5% convertible subordinated debentures due February 15, 2012 (the "Convertible Debentures") for net proceeds of $138.5 million after deducting underwriting commissions of $4.3 million. Other costs of issuing the debentures totalled $1.0 million. The debentures bear interest of 4.50% per annum on the principal amount payable in cash semi-annually. The debentures are convertible into common shares of Agnico-Eagle at the option of the holder, at any time on or prior to maturity, at a rate of 71.429 common shares per $1,000 principal amount. The debentures are redeemable by Agnico-Eagle, in whole or in part, at any time on or after February 15, 2006 at a redemption price equal to par plus accrued and unpaid interest. The Company may redeem the debentures in cash or, at the option of the Company, by delivering freely tradable common shares.

On February 15, 2002, the entire amount of the Company's senior convertible notes due January 27, 2004 (the "Senior Notes") was called for redemption.

For the year ended December 31, 2002, interest expense on the Company's revolving credit facility was $7.3 million (2001 — $12.9 million; 2000 — $5.9 million; 1999 — $4.2 million; 1998 — $4.5 million) and cash interest payments were $24.4 million (2001 — $10.4 million; 2000 — $4.4 million; 1999 — $4.4 million; 1998 — $4.2 million). Approximately $19 million of the cash interest payments in 2002 were in connection with the redemption of the Senior Notes. See Note 4(b) to the consolidated financial statements on page 48 of Exhibit 99C to this Form 20-F.

(5) Estimated future reclamation costs are based primarily on legal, environmental and regulatory requirements. The cost of Agnico-Eagle's active mining operations is accrued, on an undiscounted basis, as a production cost, on a unit-of-production method based on the proven and probable ore reserves. Future reclamation costs for the Company's inactive mines are accrued based on management's best estimate of the costs at the end of each period, comprising costs expected to be incurred at a site, on an undiscounted basis. Such cost estimates include, where applicable, ongoing care and maintenance and monitoring costs. Changes in estimates are reflected in income in the period an estimate is revised.

Effective January 1, 2003, the Company adopted the provisions of Financial Accounting Standards Board Statement No. 143 ("FAS 143") relating to asset retirement obligations. FAS 143 applies to legal obligations resulting from the construction, development and operation of long-lived assets such as mining assets. The new standard requires companies to recognize the present value of mine reclamation costs as a liability in the period the legal obligation is incurred. The Company estimated the final reclamation provision taking into account current circumstances such as projected mine life at the end of 2002 and throughput of 7,000 tons-per-day. Subsequent revisions to the final reclamation estimate could result from legislative changes or changes in the underlying assumptions — such as life-of-mine.

The initial adoption of FAS 143 negatively affected income in the first quarter of 2003 as the Company recorded a $1.7 million (net of tax) non-cash charge representing the cumulative effect of adopting this standard. On an annual basis, the Company expects that the impact of adopting this standard will not be materially different from the current practice of accruing reclamation costs.

(6) For each period ending December 31, 2000 or earlier, these amounts are net of the common shares of the Company held by Mentor Exploration and Development Co., Limited ("Mentor"), a former associate of the Company, which for accounting purposes, was treated as a subsidiary and was consolidated into the Company's financial statements. In October 2001, pursuant to a plan of arrangement, the Company amalgamated with Mentor and issued 369,948 common shares pursuant to that plan.

In 2001, the Company completed a public offering of 10,350,000 common shares for net proceeds of $76.2 million after deducting share issue costs of $5.6 million.

In 2002, the Company completed a public offering of 13,800,000 units, each unit consisting of one common share and one-half warrant, at $13.90 per unit for net proceeds of $182.9 million, after deducting issue costs of $9.1 million. Each whole share purchase warrant ("Share Purchase Warrant") entitles the holder to acquire one common share for a price of $19 at any time on or prior to November 14, 2007. If all outstanding Share Purchase Warrants are exercised, the Company would be required to issue an additional 6,900,000 common shares. See Note 6(c) to the consolidated financial statements on page 51 of Exhibit 99C to this Form 20-F. In 2002, the Company issued 40,161 common shares (2001 — 200,000; 2000 — 475,000) under a flow-through share private placement for proceeds of $0.6 million (2001 — $2.5 million; 2000 — $3.6 million) net of share issue costs. See Note 6(b) to the consolidated financial statements on page 51 of Exhibit 99C to this Form 20-F. In 2001, the Company completed a public offering of 10,350,000 common shares at $7.90 per common share for net proceeds of $76.2 million. See Note 6(c) to the consolidated financial statements on page 51 of Exhibit 99C to this Form 20-F.

Currency Exchange Rates

All dollar amounts in this Form 20-F are in United States dollars, except where otherwise indicated. The following tables present, in Canadian dollars, the exchange rates for the US dollar, based on the noon buying rate in New York City for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate"). On April 23, 2003, the Noon Buying Rate was US$1.00 equals C$1.4512.

	Year Ended December 31,				
	2002	**2001**	**2000**	**1999**	**1998**

High	1.6128	1.6023	1.5592	1.5302	1.5770
Low	1.5108	1.4933	1.4350	1.4440	1.4075
End of Period	1.5800	1.5925	1.4995	1.4440	1.5375
Average	1.5704	1.5519	1.4855	1.4828	1.4894

	2003			2002		
	March	**February**	**January**	**December**	**November**	**October**
High	1.4905	1.5315	1.5750	1.5800	1.5903	1.5943
Low	1.4659	1.4880	1.5220	1.5478	1.5528	1.5607
End of Period	1.4695	1.4880	1.5286	1.5800	1.5658	1.5610
Average	1.4761	1.5121	1.5414	1.5592	1.5715	1.5780

Risk Factors

Recent Losses

Although the Company reported net income for the year ended December 31, 2002, it incurred net losses in the five preceding years and for the first quarter of 2003. For a discussion of the factors contributing to the net income of the Company, please refer to pages 25 to 35 of Exhibit 99C to this Form 20-F under the caption "Management's Discussion and Analysis of the Company's Operations and Financial Condition". The Company's profitability depends on the price of gold, gold production, total cash operating costs, the prices and production levels of by-product zinc, silver and copper and other factors discussed in this section of the Form 20-F. Substantially all of these factors are beyond the Company's control and there can be no assurance that the Company will return to profitability in the near future.

Metal Price Volatility

The Company's earnings are directly related to commodity prices as revenues are derived from precious metals (gold and silver), zinc and copper. The Company's policy and practice is not to sell forward its future gold production; however, under the Company's Price Risk Management Policy, approved by its Board of Directors, the Company may review this practice on a project by project basis, making use of hedging strategies where appropriate to ensure an adequate return to shareholders on new projects. In addition, in accordance with the Company's revolving bank credit facility, the Company has purchased put options to ensure projected revenues from sales of gold are sufficient to reasonably ensure that the Company will be in compliance with the financial and other covenants of the facility. See "Management's Discussion and Analysis of the Company's Operations and Financial Condition — Risk Profile" on pages 31 and 32 of Exhibit 99C to this Form 20-F for more details of the Company's hedging activities. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control, including central bank sales, producer hedging activities, expectations of inflation, the relative exchange rate of the US dollar with other major currencies, global and regional demand and political and economic conditions, and production costs in major gold producing regions. The aggregate effect of these factors is impossible to predict with accuracy. Gold prices are also affected by worldwide production levels. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may adversely affect the Company's financial performance or results of operations. If the market price of gold falls below the Company's total production costs and remains at such a level for any sustained period, the Company may experience losses and may curtail or suspend some or all of its exploration, development and mining activities. The prices received for the Company's by-products (zinc, silver and copper) affect the Company's ability to meet its targets for total cash operating cost per ounce of gold produced. By-product prices fluctuate widely and are affected by numerous factors beyond the Company's control.

The volatility of gold prices is illustrated in the following table which sets forth, for the periods indicated, the high and low afternoon fixing prices for gold on the London Bullion Market (the "London P.M. Fix") and the average gold prices received by the Company.

	2002	**2001**	**2000**	**1999**	**1998**
High price ($ per ounce)	350	293	313	326	313
Low price ($ per ounce)	278	256	264	253	273
Average price received ($ per ounce)	312	273	278	274	296

On April 23, 2003, the London P.M. Fix was $333.30 per ounce of gold.

Based on 2003 production estimates, the approximate sensitivities of the Company's after-tax income to a 10% change in metal prices from 2002 market average prices are as follows:

	Income per share

Gold	0.08
Zinc	0.02
Silver	0.01
Copper	0.02

Sensitivities of the Company's after-tax income to changes in metal prices will increase with increased production.

Dependence on the LaRonde Division

The Company's mining and milling operations at the LaRonde Division account for all of the Company's gold production and will continue to account for all of its gold production in the future unless additional properties are acquired or brought into production. Any adverse condition affecting mining or milling conditions at the LaRonde Division could be expected to have a material adverse effect on the Company's financial performance and results of operations until such time as the condition is remedied. In addition, the Company's principal development program is the expansion of the LaRonde Division. This program involves the exploration and extraction of ore from new zones and may present new or different challenges for the Company. There can be no assurance that the Company's current exploration and development programs at the LaRonde Division will result in any new economically viable mining operations or yield new mineral reserves to replace and expand current mineral reserves.

Uncertainty of Production Estimates

The Company's gold production may fall below estimated levels as a result of mining accidents such as cave-ins, rock falls, rock bursts or flooding. As a result of a rock fall that occurred in two production stopes during the first quarter of 2003, the Company's 2003 gold production will be reduced by approximately 20% from the Company's original estimates. In addition, production may be unexpectedly reduced if, during the course of mining, unfavourable ground conditions or seismic activity are encountered, ore grades are lower than expected, or the physical or metallurgical characteristics of the ore are less amenable than expected to mining or treatment. Accordingly, there can be no assurance that the Company will achieve current or future production estimates.

Cost of Exploration and Development Programs

The Company's profitability is significantly affected by the costs and results of its exploration and development programs. As mines have limited lives based on proven and probable mineral reserves, the Company actively seeks to replace and expand its reserves, primarily through exploration and development and, from time to time, through strategic acquisitions. Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. Among the many uncertainties inherent in any gold exploration and development program are the location of economic ore bodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and the construction of mining and processing facilities. In addition, substantial expenditures are required to pursue such exploration and development activities. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change. Accordingly, there can be no assurance that the Company's current exploration and development programs will result in any new economically viable mining operations or yield new reserves to replace and expand current reserves.

Total Cash Operating Costs of Gold Production at the LaRonde Mine

The Company's total cash operating costs to produce an ounce of gold are dependent on a number of factors, including primarily the prices and production levels of by-product zinc, silver and copper, the revenue from which is offset against the cost of gold production, the US dollar/Canadian dollar exchange rate, smelting and refining charges and the net profit royalty on metal production from the adjacent El Coco Property, which is affected by all of these factors and the gold price. As these factors are beyond the Company's control, there can be no assurance that the Company will continue to maintain its status as a low total cash operating cost gold producer.

Total cash operating cost data is prepared in accordance with The Gold Institute Production Cost Standard and is not a recognized measure under US GAAP. Adoption of the standard is voluntary and this data may not be comparable to data presented by other gold producers. Management uses this generally accepted industry measure in evaluating operating performance and believes it to be a realistic indication of such performance. The data also indicates the Company's ability to generate cash flow and operating income at various gold prices. This additional information should be considered together with other data prepared in accordance with US GAAP.

Restrictions in the Bank Credit Facility

The Company's $125 million revolving bank credit facility limits, among other things, the Company's ability to incur additional indebtedness, pay dividends or make payments in respect of its common shares, make investments or loans, transfer the Company's assets, make expenditures relating to the LaRonde Mine or the El Coco Property, except as set forth in a mine development plan delivered pursuant to the credit facility and its ability to make expenditures other than those relating to the LaRonde Mine and the El Coco Property. Further, the bank credit facility requires the Company to maintain specified financial ratios and satisfy financial condition tests. Events beyond the Company's control, including changes in general economic and business conditions, may affect the Company's ability to satisfy these covenants, which could result in a default under the bank credit facility. While there are currently no amounts outstanding, if an event of default under the bank credit facility occurs, the lenders could elect to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due and payable and to enforce their security interest over substantially all property relating to the LaRonde Mine and the El Coco Property. An event of default under the bank credit facility may also give rise to an event of default under existing and future debt agreements and, in such event, the Company may not have sufficient funds to repay amounts owing under such agreements.

Competition for and Scarcity of Mineral Lands

Many companies and individuals are engaged in the mining business, including large, established mining companies with substantial capabilities and long earnings records. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a competitive disadvantage in acquiring mining properties, as it must compete with these individuals and companies, many of which have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties.

Risks of Acquisitions

The Company has recently begun to evaluate opportunities to acquire shares or assets of other mining businesses. Such acquisitions may be significant in size, may change the scale of the Company's business, and may expose the Company to new geographic, political, operating, financial or geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms and integrate their operations successfully with those of the Company. Any acquisitions would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired businesses; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful integration of acquired assets and businesses; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential unknown liabilities associated with acquired assets and businesses. In addition, the Company may need additional capital to finance an acquisition. Debt financing related to any acquisition may expose the Company to increased risk of leverage, while equity financing may cause existing shareholders to suffer dilution. The Company is not currently permitted under the terms of its bank credit facility to raise additional debt financing without the consent of a majority of the lenders. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Uncertainty of Mineral Reserve and Mineral Resource Estimates

The figures for proven and probable mineral reserves and mineral resource presented herein are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery of gold will be realized. The ore grade actually recovered by the Company may differ from the estimated grades of the mineral reserves and mineral resource. Such figures have been determined based on assumed gold prices and operating costs. The Company has estimated proven and probable mineral reserves based on a $300 per ounce gold price. While gold prices were generally above $300 per ounce in 2002, for the previous four years the market price of gold has been, on average, below $300 per ounce. Prolonged declines in the market price of gold may render mineral reserves containing relatively lower grades of gold mineralization uneconomic to exploit and could reduce materially the Company's reserves. Should such reductions occur, the Company could be required to take a material write-down of its investment in mining properties or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Market price fluctuations of gold, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral resources. Short-term factors relating to the mineral reserve, such as the need for orderly development of ore bodies or the processing of new or different grades, may impair the profitability of a mine in any particular accounting period.

Mineral resource estimates for properties that have not commenced production are based, in most instances, on very limited and widely spaced drill hole information, which is not necessarily indicative of conditions between and around the drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained.

Mining Risks and Insurance

The business of gold mining is generally subject to certain types of risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected rock formations, changes in the regulatory environment, cave-ins, rock bursts, rock falls and flooding and gold bullion losses. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company carries insurance to protect itself against certain risks of mining and processing in amounts that it considers to be adequate but which may not provide adequate coverage in certain unforeseen circumstances. The Company may also become subject to liability for pollution, cave-ins or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons or the Company may become subject to liabilities which exceed policy limits. In such case, the Company may be required to incur significant costs that could have a material adverse effect on its financial performance and results of operations.

Laws and Regulations

The Company's mining operations and exploration activities are subject to extensive Canadian federal and provincial, United States federal and state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, water disposal, toxic substances, environmental protection, mine safety and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating and closing mines and other facilities. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation or interpretation thereof could have a material adverse impact on the Company, cause a reduction in levels of production and delay or prevent the development of new mining properties.

In July 2002, the Company paid a C$5,046 fine in respect of a notice of infraction issued by the Quebec Ministry of the Environment under the *Loi sur la qualité de l'environnement* with respect to a toxic effluent at the LaRonde Division. The Company has taken measures to prevent the discharge of toxic effluent, including the installation of on-site water treatment systems, the last of which is expected to be completed in the fourth quarter of 2003. In the meantime, the Company is storing the water used at the LaRonde Division that is not recycled on site for future treatment. Although the costs of treatment have not yet been finally determined, the Company believes that such costs will not have a material effect on the Company's results of operations.

In January 2003, the Company received a notice of infraction from the Quebec Ministry of the Environment in connection with a controlled discharge of water of excess toxicity, which was carried out over a three-month period in the summer of 2002. The purpose of the discharge was to establish favourable construction conditions for the increase of tailing pond capacity in the autumn of 2002. The Ministry of the Environment was aware of the Company's proposed discharge, but nonetheless issued a notice of infraction. No fine was payable in respect of the notice of infraction, however the notice requested production of a report detailing the causes of algae proliferation at the LaRonde Mine.

Under mine closure plans originally submitted to the Minister of Natural Resources in Quebec in 1996, the estimated current reclamation costs for the LaRonde Division and Joutel are approximately $15 million and $0.9 million, respectively. The reclamation plan for the LaRonde Division, updated for the expansion to 7,000 tons of ore treated per day, was approved by the Minster of Natural Resources on March 24, 2003. The reclamation plan for Joutel is subject to approval by the Minister of Natural Resources and there can be no assurance that the Minister of Natural Resources will not impose additional reclamation obligations with attendant higher costs. In addition, the Minister of Natural Resources may require that the Company provide financial assurances to support such plans. At December 31, 2002, the Company had a total reclamation provision, net of amounts receivable from other properties, of $2.1 million, with $1.8 million allocated for the LaRonde Division and $0.9 million allocated for Joutel.

Prior to January 1, 2003, reclamation costs were accrued on an undiscounted unit-of-production basis, using proven and probable reserves as the base. On this basis, the Company recorded its annual reclamation provision for the LaRonde Division at approximately $5 per ounce of gold produced. Effective January 1, 2003, the Company adopted the provisions of Financial Accounting Standards Board Statement No. 143 relating to asset retirement obligations, which applies to long-lived assets such as mines. (See Note 5 to the table under the caption "Item 3 Key Information — Selected Financial Information" for an explanation of the new standard.) The application of the new provisions resulted in the Company recording a one-time, net of tax, non-cash charge of $1.7 million on January 1, 2003 reflecting the cumulative effect of adopting this standard. On March 31, 2003, the Company's asset retirement obligation relating to the LaRonde Division was $5.6 million.

Currency Fluctuations

The Company's operating results and cash flow are significantly affected by changes in the US dollar/Canadian dollar exchange rate. Exchange rate movements can have a significant impact as all of the Company's revenues are earned in US dollars but most of its operating and capital costs are in Canadian dollars. The US dollar/Canadian dollar exchange rate has varied significantly over the last several years. During the period from January 1, 1998 to December 31, 2002, the Noon Buying Rate fluctuated from a high of C$1.6128 to a low of C$1.4350. Historical fluctuations in the US dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations. Based on the Company's anticipated 2003 after-tax operating results, a 10% change in the average annual US dollar/Canadian dollar exchange rate would affect net income by approximately $0.06 per share. To hedge its foreign exchange risk and minimize the impact of exchange rate movements on operating results and cash flow, the Company has periodically used foreign currency options and forward foreign exchange contracts to purchase Canadian dollars. However, there can be no assurance that the Company's foreign exchange hedging strategies will be successful or that foreign exchange fluctuations will not materially adversely affect the Company's financial performance and results of operations.

Interest Rate Fluctuations

Fluctuations in interest rates can affect the Company's results of operations and cash flows. The Company's convertible subordinated debentures due 2012 are at a fixed rate of interest; however both its bank debt and cash balances are subject to variable interest rates.

Potential Unenforceability of Civil Liabilities and Judgments

The Company is incorporated under the laws of the Province of Ontario, Canada. All but one of the Company's directors and officers and certain of the experts named in this Form 20-F are residents of Canada. Also, almost all of the Company's assets and the assets of these persons are located outside of the United States. As a result, it may be difficult for shareholders to initiate a lawsuit within the United States against these non-United States residents, or to enforce judgments in the United States against the Company or these persons which are obtained in a United States court. It may also be difficult for shareholders to enforce a judgment of a United States court in Canada or to succeed in a lawsuit in Canada based only on United States securities laws.

ITEM 4. INFORMATION ON THE COMPANY

History and Development of the Company

The Company is an established Canadian gold producer with mining operations located in northwestern Quebec and exploration and development activities in Canada and the western United States. The Company's operating history includes almost three decades of continuous gold production primarily from underground operations. Since its formation in 1972, the Company has produced over three million ounces of gold. In 2002, the Company produced approximately 260,183 ounces of gold at total cash operating costs of $182 per ounce. The Company believes that it is one of the low total cash operating cost producers in the North American gold mining industry. In addition, the Company has traditionally sold all of its production at the spot price of gold due to its general policy not to sell forward its future gold production. However, the Company has purchased put options that will allow it to set a floor price of $260 per ounce on a portion of its gold production over the next five years.

The Company's principal operating divisions are the LaRonde Division and the Exploration Division. The LaRonde Division consists of the LaRonde Mine and the El Coco Property, both of which are 100% owned and operated by the Company. The LaRonde Mine, with its single production shaft (the "Penna Shaft"), currently accounts for all of the Company's gold production. Since the commissioning of the mill in 1988, the LaRonde Division has produced over 2.1 million ounces of gold. In March 2000, the Company completed the Penna Shaft at the LaRonde Mine to a depth of 7,380 feet, which the Company believes makes it the deepest single-lift shaft in the Western Hemisphere. Production was expanded at the LaRonde Mine to 7,000 tons of ore treated per day in October 2002. An extensive surface and underground exploratory drilling program to delineate additional mineral reserve began in 1990 and is continuing. The program successfully outlined several ore zones and a large mineral resource to the east of what was, at the time, the main production shaft. As at December 31, 2002, the LaRonde Division had established proven and probable mineral reserves of approximately 4.0 million ounces of contained gold, a total mineral reserve and indicated mineral resource base of approximately 4.1 million ounces of gold and an inferred mineral resource of 4.0 million ounces of gold.

The Company's strategy is to focus on the continued exploration, development and expansion in the region of the LaRonde Mine with a view to increasing annual gold production and gold mineral reserve and to pursue opportunities for growth in gold production and gold reserves through the acquisition of advanced exploration properties, development properties, producing properties and other mining businesses. Expenditures on the expansion of the LaRonde Mine and surrounding region in the last three fiscal years were $166.1 million, of which $61.4 million was spent in 2002. Proposed 2003 expenditures on the LaRonde expansion are estimated to be $36 million. The financing for these expenditures is expected to be from internally generated cash flow from operations and from the Company's existing cash balances. Depending on the success of the exploration programs at this and other properties, the Company may be required to make additional capital expenditures for exploration, development and preproduction. In addition, the Company continuously evaluates opportunities to make strategic acquisitions, although it has no present commitments or agreements with respect to any material acquisitions.

The Company, through its Exploration Division and its subsidiary company, Sudbury Contact Mines Limited ("Sudbury Contact"), focuses its exploration activities primarily on the identification of new mineral reserve and development opportunities in the proven producing regions of Canada and the western United States, with a particular emphasis on northwestern Quebec and Nevada. The Company currently directly manages exploration on 45 properties in central and eastern Canada while Sudbury Contact manages an additional 26 properties in Ontario, Quebec, Newfoundland, Nevada and Idaho. In addition, the Company continuously evaluates opportunities to make strategic acquisitions, although it has no present commitments or agreements with respect to any material acquisitions.

The Company was formed by articles of amalgamation under the laws of the Province of Ontario on June 1, 1972 as a result of the amalgamation of Agnico Mines Limited ("Agnico Mines") and Eagle Gold Mines Limited ("Eagle"). Agnico Mines was incorporated under the laws of the Province of Ontario on January 21, 1953 under the name "Cobalt Consolidated Mining Corporation Limited". Eagle was incorporated under the laws of the Province of Ontario on August 14, 1945. The Company's executive and registered office is located at Suite 500, 145 King Street East, Toronto, Ontario, Canada M5C 2Y7; telephone number (416) 947-1212; website: http://www.agnico-eagle.com. The information contained on the website is not part of this Form 20-F.

On December 19, 1989, Agnico-Eagle acquired the remaining 57% interest in Dumagami Mines Limited not already owned by it, as a consequence of the amalgamation of Dumagami Mines Limited with a wholly-owned subsidiary of Agnico-Eagle, to continue as one company under the name Dumagami Mines Inc. ("Dumagami"). On December 29, 1992, Dumagami transferred all of its property and assets, including the LaRonde Mine, to Agnico-Eagle and was subsequently dissolved. On December 8, 1993, the Company acquired the remaining 46.3% interest in Goldex Mines Limited not already owned by it, as a consequence of the amalgamation of Goldex Mines Limited with a wholly-owned subsidiary of the Company, to continue as one company under the name Goldex Mines Limited. On January 1, 1996, the Company amalgamated with two wholly-owned subsidiaries, including Goldex Mines Limited.

In October 2001, pursuant to a plan of arrangement, the Company amalgamated with an associated corporation, Mentor Exploration and Development Co., Limited ("Mentor"). In connection with the arrangement, the Company issued 369,348 common shares in consideration for the acquisition of all of the issued and outstanding shares of Mentor that it did not already own.

Effective February 11, 1999, two subsidiaries of the Company, Sudbury Contact Mines, Limited and Silver Century Explorations Ltd. ("Silver Century") amalgamated pursuant to a court-approved plan of arrangement to form Sudbury Contact.

The Company's only significant subsidiary is Sudbury Contact, a public company incorporated under the laws of Ontario and listed on The Toronto Stock Exchange. The Company owns approximately 63.7% of the outstanding common shares of Sudbury Contact.

Business Overview

The Company believes that it has a number of key operating strengths that provide distinct competitive advantages.

First, the Company and its predecessors have over 35 years of experience and expertise in metals mining, including nearly three decades of continuous gold production. The Company's operations are located entirely in Canada and the western United States, areas that are supportive of the mining industry. These operations are concentrated in areas among North America's principal gold-producing regions.

Second, the Company believes that it is one of the low total cash operating cost producers in the North American gold mining industry. The Company has been able to improve this position through its dedication to cost-efficient mining operations, the strength of its byproduct revenue and the economies of scale afforded by its large single shaft mine. In addition, the Company believes its highly motivated work force contributes significantly to its low-cost position and continued operational improvements.

Third, the Company's existing operations at the LaRonde Division provide a sound economic base for additional mineral reserve and production development at the property. Since 1990, an extensive surface and underground exploration program has identified several ore zones at depths ranging from 300 feet to over 9,000 feet below surface, at which point mineralization remains open at depth and to the west. Production from these ore zones began in 1999. Initially, in 2000, production from the Penna Shaft was trucked and hoisted by Shaft #1. Effective October 2000, the Company successfully expanded its operations at the LaRonde Division to 5,000 tons of ore treated per day and in 2001 commenced a further expansion to 7,000 tons of ore treated per day which was completed in October 2002.

Fourth, the Company's senior management team has an average of 24 years of operating and exploration experience in the mining industry. Management's significant experience has been instrumental in the Company's historical growth and provides a solid base upon which to expand the Company's operations. The geological knowledge that management has gained through its years of experience in mining and developing the LaRonde Division is expected to benefit the Company's current expansion program in the region.

The Company believes it can benefit not only from the existing infrastructure at its mines, but also from geological knowledge that it has gained in mining and developing its properties. The Company's strategy is to capitalize on its mining expertise to exploit fully the potential of its properties. The Company's goal is to apply the proven operating principles of the LaRonde Division to each of its existing and future properties.

The Company continues to focus its resources and efforts on the exploration, development and expansion of the LaRonde Mine with a view to increasing annual gold production and gold mineral reserve. The Company is conducting an aggressive drilling program at the LaRonde Division to increase its mineral reserve base and transfer mineral resource to the mineral reserve category. In 2002, the Company transferred almost 5.4 million tons of mineral resource to proven and probable mineral reserve, including production replacement. Similarly in 2002, the Company's exploration activities added over 750,000 ounces to proven and probable gold mineral reserve, including replacement of 279,000 ounces of gold mined (before mill recoveries and smelter charges). As a result, the LaRonde Division's current proven and probable mineral reserve and indicated mineral resource base is estimated to contain over 4.1 million ounces of gold, 85 million ounces of silver, 2.8 billion pounds of zinc and 314 million pounds of copper, of which proven and probable mineral reserves are 4.0 million ounces of gold, 84.8 million ounces of silver, 2.8 billion pounds of zinc and 311 million pounds of copper. There is an additional 23.0 million tons of inferred mineral resource containing almost 4.0 million ounces of gold that will be the focus of the resource to reserve conversion program in 2003. The new underground workings at the Penna Shaft will provide a base from which the Company can conduct its drilling program of 178,000 feet in 2003. Capital expenditures at the LaRonde Division in 2003 are expected to be approximately $36 million to complete the expansion of the mill to 7,000 tons-per-day, construction of the new water treatment plant, further definition of underground resource, including the Level 215 drift, construction of underground infrastructure and development of the ore zones accessible from the Penna Shaft required to sustain production at the expanded rate of 7,000 tons-per-day. There can be no assurance that the Company will not revise its anticipated capital expenditure program.

The Company's growth strategy has been to pursue the expansion of its development base through the acquisition of additional properties in North America. The Company has recently expanded the focus of its acquisition strategy to include properties in the Americas generally. Historically, the Company's producing properties have resulted from a combination of investments in early-stage exploration companies and primary exploration activities. By investing in early-stage exploration companies, the Company has been able to acquire control of exploration properties at favourable prices. The Company's approach to property acquisition has evolved to include joint ventures and partnerships and the acquisition of producing properties and, more recently, has evolved to include consideration of properties outside of Canada and the United States. The Company is currently considering opportunities to acquire development and producing properties in both North and South America.

In 2002, the Company experienced delays in stope development at the LaRonde Mine due to the failure of its semi-autogenous (SAG) mill in July which delayed backfill placement; excessive summer heat which necessitated a slower pace of work by the labour force; and delays in ventilation installation at depth. As a result of these delays, mining activity was concentrated in the zinc-silver rich zones in the upper part of Zone 20 North rather than the higher grade gold stopes in Zone 20 North at depth. This re-sequencing of production resulted in lower than anticipated gold production in 2002 and pushed into future years gold production initially scheduled for 2002. The Company has replaced the SAG mill drive and expects to complete the installation of additional cooling systems at depth in the second quarter of 2003.

In the first quarter of 2003, a rock fall of an estimated 30,000 tons occurred in two production stopes above Level 215 at 7,050 feet below surface during routine operations at the LaRonde Mine. The rock fall did not cause any injuries to employees, damage to equipment or loss of mineral reserves. However, the incident limits the Company's ability to mine in the higher grade areas of the mine. Remedial steps are in progress. The fallen ore has been extracted and the void is backfilled with cemented rock fill. Recovery studies have established that the mining width on four blocks needs to be narrower to establish more quickly the pyramid sequence. Wider blocks will be mined at a later date in the next sequence. The Company estimates that the incident will result in gold production in 2003 being approximately 20% lower than originally planned.

Organizational Structure

The Company's only significant subsidiary is Sudbury Contact, an Ontario corporation in which Agnico-Eagle has a 63.7% equity and voting interest.

Property, Plant and Equipment

LaRonde Division Property

The Company's LaRonde Division consists of the LaRonde property and the adjacent El Coco property (collectively the "LaRonde Mine"), both of which are 100% owned and operated by the Company. The LaRonde Division operates under mining leases obtained from the Quebec Ministry of Natural Resources and under certificates of approval granted by the Quebec Ministry of the Environment. The LaRonde property consists of 35 contiguous mining claims and a provincial mining lease (which is automatically renewable annually upon payment of a small fee) totalling approximately 2,785 acres. The El Coco property consists of 22 contiguous mining claims and a mining lease owned by the Company, totalling approximately 888 acres. The El Coco property was acquired from Barrick Gold Corporation in June 1999 and is subject to a 50% net profits interest in future production from approximately 500 meters (1,640 feet) east of the LaRonde property boundary. The remaining 1,500 meters (4,921 feet) is subject to a 4% net smelter return royalty. The LaRonde Mine includes underground operations at both the El Coco and the LaRonde properties, both accessed from the Penna Shaft, a mill, treatment plant, secondary crusher building and related facilities. In addition, the Company owns 100% of the Sphinx property immediately to the east of the El Coco property.

The LaRonde Mine is located approximately 35 miles west of Val d'Or in the Bousquet and Cadillac Townships, Quebec, a region characterized by its availability of experienced mining personnel and accessible by provincial highway. The elevation is 1,106 feet above sea level. All of the LaRonde Mine's power requirements are supplied by Hydro-Quebec through connections to its main power transmission grid. Water used in the LaRonde Mine's operations is sourced from Lac Preissac, and is transported to the mine site through a surface pipeline. The climate of the region is continental and the average annual rainfall is 25 inches and the average annual snowfall is 125 inches. The average monthly temperatures range from a minimum of –23 degrees Celsius in January to a maximum of 23 degrees Celsius in July. Under normal circumstances, mining operations are conducted year round without interruption due to weather conditions. However, in 2002 high underground temperatures due to extreme summer heat caused delay in development activity in lower portions of the mine.

Mining and Milling Facilities

The LaRonde Mine was originally developed utilizing a 3,961 foot shaft (Shaft #1) and an underground ramp access system. The ramp access system is available down to the 25th Level of Shaft #1 and then continues down to Level 152 at the Penna Shaft. The mineral reserve accessible from Shaft #1 was depleted in September 2000. Shaft #1 is currently being used as a second escape way and provides services for the Penna Shaft (i.e. ventilation, compressed air, water). A second production shaft (Shaft #2), located 4,000 feet to the east of Shaft #1, was completed in 1994 down to a depth of 1,722 feet and was used to mine Zones #6 and #7. Both ore zones were depleted in March 2000 and the workings were allowed to flood up to the 6th Level. A third shaft (Penna Shaft, formerly called Shaft #3) located approximately 1,640 feet to the east of Shaft #1, was completed down to a depth of 7,380 feet in March 2000. The Penna Shaft is used to mine Zones 20 North, 20 South, 7, and 6.

Four mining methods have historically been used at the LaRonde Mine: open pit for the two surface deposits, sublevel retreat, longitudinal retreat with cemented backfill, and transverse open stoping with both cemented and unconsolidated backfill. The primary source of ore at the LaRonde Mine continues to be from underground mining methods. During 2002, two methods were used: longitudinal retreat with cemented backfill and transverse open stoping with both cemented and unconsolidated backfill. In the underground mine, sublevels are driven at 100 foot and 130 foot intervals, depending on the depth. Stopes are undercut in 45-foot panels. In the longitudinal method, panels are mined in 45-foot sections and backfilled with 100% cemented rock fill or paste fill. In the transverse open stoping method, 50% of the ore is mined in the first pass and filled with cemented rock fill or paste fill from the paste backfill plant completed two years ago located on the surface at the milling facility. On the second pass, the remainder of the ore is mined and filled with unconsolidated waste rock fill or paste fill.

Currently, there are three different water treatment facilities at the LaRonde Division. Prior to the water entering the tailings pond system, cyanide is removed at a cyanide destruction facility using a sulphur dioxide (Inco) process. A secondary treatment plant located between the #1 and #2 polishing ponds uses a peroxysilica process to complete the cyanide destruction process. In addition, water with higher than permissible acidity is treated by lime in the mill complex prior to being released to the environment.

In response to revised Federal mining effluent regulations, the Company is in the process of engineering and procurement relating to the construction of a new water treatment plant that would eliminate tailing effluent toxicity immediately prior to discharge. The new water treatment plant, which will use a biological treatment process, is expected to be commissioned in October 2003 and effluent discharge of non-toxic water is expected to begin in early 2004. In the interim, the Company retains excess water in its tailing pond complex.

Tailings are stored in tailings ponds covering an area of approximately 293 acres and waste rock is stored in two waste rock piles with a combined volume of approximately 50.4 million cubic feet. The Company holds mining claims to the north-east, to the east and to the south-east of the tailings ponds that would allow expansion of the tailings ponds and the establishment of additional waste disposal areas.

Surface facilities at the LaRonde Mine include a 7,000 tons of ore treated per day milling complex, which has been expanded three times from the original 2,000 tons of ore treated per day rate. The first expansion to 3,600 tons per day was completed at the beginning of 2000 and the second expansion to 5,000 tons per day was completed at the end of the third quarter of 2001. The expansion to 7,000 tons per day was completed in October 2002. This expansion consisted of additions to the grinding and precious metals circuits and modifications to the copper and zinc flotation circuits. A new ore handling system was completed at the end of 1999. It included a truck dump linked by a new conveyor gallery to a 5,000-ton coarse ore bin. The coarse ore bin feeds a semi-autogenous (SAG) mill that was installed at the end of 1999. Ore from the Penna Shaft is transported to the ore handling facility by 35-ton trucks.

The milling complex consists of a grinding, gravity, copper flotation, zinc flotation, and a new precious metals recovery circuit and refinery. A copper concentrate containing approximately 75% of the gold and byproduct silver and copper is recovered. The zinc flotation circuit produces a zinc concentrate containing approximately 5% of the gold. The remaining 20% is recovered partly by the gravity circuit (5%) and the precious metals circuit including a new refinery using the Merrill Crowe process (15%) and shipped as doré bars. Both the zinc and copper flotation circuits consist of a series of column and mechanical cells that sequentially increase the zinc and copper quality. In 2002, zinc recoveries averaged 78.4% with peak recoveries exceeding 85%. Concentrate quality has averaged over 53% zinc. Copper recoveries have averaged over 71.5%, however, with peak rates of 81.5%. Concentrate quality averaged 15.2% for the year.

Since commercial production began in 1988, gold recoveries have averaged over 92%. During 2002, gold recoveries averaged over 93%. During 2002, the mill processed approximately 2.0 million tons of ore, averaging 5,379 tons of ore treated per day and operating over 89% of available time.

Development

A total of 67,511 feet of development was completed on the LaRonde property during 2002, including 45,750 feet of lateral development and 21,761 feet of vertical development. Currently, ramp development is available from Level 98 down to Level 152, from Level 206 to Level 215 and also from Level 185 to Level 194. The focus of 2002 underground development continued to be the lower part of the mine and the gold/copper portion of Zone 20 North.

Geology and Diamond Drilling

The gold bearing zones on the LaRonde property are lens-shaped aggregates of disseminated, stringer through to massive, aggregates of coarse pyrite with a copper, zinc and silver content. Presently, ten zones have been identified of which eight are economic. Gold content is not proportional to the total sulphide content but does increase with copper content. Gold values are also enhanced where closely spaced north-south fractures cut the pyrite lenses.

These historical relationships are maintained at the Penna Shaft zones. The zinc-silver (i.e. Zone 20 North) mineralization, which is common in the upper Penna shaft area and contains lower gold values, grades into gold-copper mineralization at depth. North-south fractures have been noted in the Penna Shaft underground development along with the associated gold value enhancement.

The copper mineral that is present at the Penna shaft is chalcopyrite while the predominant zinc mineral is sphalerite.

On a tonnage basis, the LaRonde Division's combined proven and probable mineral reserve and indicated mineral resource increased 13% to 42.3 million tons, of which 41.7 million tons are mineral reserves, while LaRonde's inferred mineral resource decreased by 8.8 million tons to 23.0 million tons. Including past production, which reached almost 2.2 million ounces of gold in 2002, LaRonde is known to host a total of over 6.2 million gold ounces (and is thought to host an additional 4.0 million gold ounces in the inferred resource category). Most of the increase was due to continued successful exploration results at depth.

On average, seven drills were in operation during 2002. One drill was devoted to delineation drilling in the upper part of the mine, two to definition drilling on the bottom part of the mine, two to mineral resource to mineral reserve conversion, one to the eastern exploration program, and one drill to the deep exploration program focused at expanding the mineral resource below the shaft bottom.

A total of 214,000 feet of diamond drilling was completed during the year. Over 70% was targeted at two primary zones, Zone 20 North and Zone 20 South.

Zone 20 North has developed into what the Company believes is one of the largest gold bearing massive sulphide mineralized zones known in the world and one of the largest mineralized zones known in the Abitibi region of Ontario and Quebec. The following table summarizes Zone 20 North's contribution to the LaRonde Mine's mineral reserve and resource.

	Mineral Reserve and Indicated Mineral Resource	Inferred Mineral Resource
Total LaRonde Property	4.1 million ounces (1)	4.0 million ounces
Zone 20 North	3.6 million ounces (88%)	3.9 million ounces (98%)

Note:

(1) Of the 4.1 million ounces of combined mineral reserve and indicated mineral resource, 4.0 million ounces is mineral reserve.

Zone 20 North initially occurs at a depth of 2,700 feet below surface and has been traced down to a depth of 9,900 feet below surface. With increased access on the lower levels of the mine (i.e., Levels 170, 194, 212, 215 and 220), the transformation from a "zinc/silver" ore body to a "gold/copper" deposit continued during the year. Most of the definition drilling was conducted from Levels 194 and 215. Exploration drilling was also conducted from Level 220, the lowest level of the Penna Shaft.

Zone 20 North can be divided into an upper zinc/silver-enriched zone and a lower gold/copper-enriched zone. The zinc zone has been traced over a vertical distance of 2,600 feet and a horizontal distance of 1,900 feet, with thicknesses approaching 125 feet. The gold zone has been traced over a vertical distance of over 4,400 feet and a horizontal distance of 2,000 feet, with thicknesses varying from 35 feet to 100 feet. The zinc zone consists of massive zinc/silver mineralization containing 50% to 90% massive pyrite and 10% to 50% massive light brown sphalerite. The gold zone mineralization consists of 30% to 70% finely disseminated to massive pyrite containing 1% to 10% chalcopyrite veinlets, minor disseminated sphalerite and rare specks of visible gold. Gold grades are generally related to the chalcopyrite or copper content. This is the same historical relationship noted at Shaft #1's Main Zone. At depth, the massive sulphide lens becomes richer in gold and copper. During 2002, 1.1 million tons grading 0.09 per ton ounces of gold, 2.44 per ton ounces of silver, 0.41% copper and 4.06% zinc were mined from Zone 20 North.

Drilling results in 2002 continued to delineate and increase the size of the zone while demonstrating the transformation from a zinc/silver ore body to a gold deposit at depth. One of the most significant results of the year was obtained from drill hole 3215-22F. The drill hole intersected two intervals of mineralization comprising Zone 20 North at a depth of 9,900 feet and is the westernmost intercept on Zone 20 North. It intersected the following values:

Drill Hole	True Thickness(ft)	Interval (ft) From:	Interval (ft) To:	Gold(oz/ton) Cut(1.5 oz)	Silver(oz/ton)	Copper(%)	Zinc(%)
3215-22F (North)	9.2	3,701.7	3,718.5	0.29	0.04	0.01	0.04
3215-22F (South)	16.7	3,897.3	3,926.8	0.22	0.14	low value	0.01

The value over 16.7 feet (southern intercept) appears to correlate with Zone 20 North. The northern intercept grading 0.29 ounces of gold per ton over 9.2 feet appears to be the indication of a new parallel zone. Previously completed deep drilling has encountered similar mineralization. The two intercepts are separated by approximately 100 feet of altered felsic volcanics.

The 2002 development and drilling results have indicated the following:

- Thicknesses at depth are greater than originally indicated.
- Gold grades are consistent with original estimates in reserve model or slightly higher levels.
- Copper and silver grades are higher. Increased copper grades at depth confirm the LaRonde geological model.
- Specific gravity is similar to the estimate used in the 2002 mineral reserve model.
- There are more tons of ore per mining block than originally estimated. This contributed to replacing the past year's production and will assist in improving mine flexibility.
- The eastern limit of Zone 20 North has been defined, indicating that the rake is shallower to the west than previously interpreted.
- Drilling has also indicated that the deposit is still open to the west. The new parallel zone has been intersected at a depth of almost 9,000 feet below the surface. The presence of this more northerly gold zone was first indicated in drill hole 3215-22F (previously released).
- The drilling results continue to have major geologic implications for further exploration along the Cadillac Belt. Agnico-Eagle currently controls almost 20 miles along this belt both east and west of the LaRonde Mine, much of which remains unexplored. Access to a portion of this property holding provided by the LaRonde Mine's underground infrastructure will facilitate further exploration.

Historically, increased drill hole density has improved initial mineral reserve and mineral resource estimates based on widely spaced drill holes usually drilled from the shaft stations. Ultimately development within the ore zones has confirmed or upgraded the original estimates.

Zone 20 South is located approximately 400 feet south of Zone 20 North. It consists of at least two known disseminated to massive sulphide gold/copper/zinc-bearing lenses made up of 80% to 90% pyrite, 5% to 10% sphalerite and 1% to 3% chalcopyrite. The Zone 20 South horizon has been traced over a vertical distance of 5,300 feet and a horizontal distance of 400 feet, with a mineralized thickness varying from 10 feet to 40 feet. In 1999, Agnico-Eagle acquired the El Coco property adjacent to and immediately east of the LaRonde property. The El

Coco property contains the eastern extension of Zone 20 South. The current mineral reserve position on Zone 20 South on LaRonde is 238,000 ounces and on the El Coco property is 43,000 ounces. In 2002, approximately 328,000 tons grading 0.20 ounces per ton gold were mined from Zone 20 South on the LaRonde property and over 489,000 tons grading 0.25 ounces per ton gold were mined from Zone 20 South on the El Coco property.

Reserves in Zone 20 South in the upper Penna shaft area and on the El Coco property in particular are depleting rapidly. The bulk of the current reserves (almost 238,000 ounces of gold) are located in the lower mine area. Zone 20 South in this lower area of the Penna shaft appears to be very similar to what was initially encountered in Zone 20 South near Level 146 where the mineralization is narrow, high-grade but more difficult to define. Additional high-grade gold mineralization at depth could have a significant impact on the long-term mine plan. High grade mineralization just above Level 215 has not yet been factored into the long-term mine plan.

The significance of Zone 20 South production can be summarized as follows:

- The Zone 20 South/El Coco Zone is characterized by higher-grade mineralization frequently accompanied by coarse visible gold.

- El Coco royalty charges will decrease rapidly in the future as production will increasingly come from royalty-free areas of Zone 20 South lens production.
- Unlike the typical LaRonde massive sulphide model, higher gold grades are frequently accompanied by higher-grade silver/zinc mineralization. In the LaRonde geological model, higher-grade gold mineralization is normally accompanied by corresponding higher copper values.
- Mineralization is continuous down to Level 154 (5,050 feet below surface). Economic mineralization reoccurs at the Level 170 horizon (5,600 feet below surface) and is open at depth. Mineralization has been traced to a depth of 7,800 feet.
- Zone 20 South will require significantly more delineation drilling. Zone 20 South will be drilled from the Level 215 exploration drift, resulting in shorter drill holes and significantly tighter drill spacing.

The exploration program on the El Coco property continued from the 20th Level exploration drift until October 2002 after almost three years into an aggressive five-year exploration program. The program is the continuation of the original exploration program that resulted in the Penna Shaft discoveries. In the first year of the program, surface and underground exploration successfully defined a new massive sulphide occurrence, Zone 22, within the favourable stratigraphy of the LaRonde gold deposits. Although additional follow-up exploration did not extend the mineralization, the occurrence of massive sulphides with favourable geology and alteration indicates that larger occurrences of economic mineralization could be discovered. The program was temporarily suspended in October 2002 and the work crews were transferred to the Level 215 exploration drift to help accelerate the deep exploration program (see "— Capital Projects and Expansion").

Approximately 178,000 feet of diamond drilling with seven to eight drills has been planned for the LaRonde property's 2003 exploration program, representing one of the largest diamond drilling programs in the property's history. Three main areas have been proposed including upper and lower mine delineation drilling of 39,000 feet, lower mine definition drilling of 52,000 feet and deep exploration drilling of 87,000 feet along with 2,400 feet of level development on the Level 215 exploration drift.

Capital Projects and Expansion

The mill reached the 7,000 tons of ore treated per day rate in the fourth quarter of 2002, achieving peak rates in excess of 8,000 tons per day in December 2002 and averaging 5,846 tons per day during the fourth quarter. The paste backfill plant and the distribution network in the upper part of the mine were completed and the first fill poured in October 2000 and the distribution network is now being extended down to the lower levels with completion expected by the end of 2003.

The second load out facility on Level 220 was completed and commissioned during 2001. Excavation of the waste and ore bins and conveyor way to the crusher was completed in 2002 and the installation of a crushing plant and conveyor system at 7,200 feet below surface is expected to be completed in the second quarter of 2003.

With the increase to the 7,000 tons of ore treated per day rate, and with the addition of Level 194 as a new mining horizon, stope development has been accelerated significantly from the original mining plan in order to recover from delays encountered during 2002. For 2003, a total of 70,400 feet of development is planned. This is broken down into 51,200 feet of lateral development and 19,400 feet of vertical development. The focus of the program in 2003 will continue to be lower level development.

The surface ventilation facilities have been completed and are currently providing 1.3 million cubic feet per minute to the underground workings. The fresh air ventilation raises have been completed down to Level 215 while the exhaust system has been completed from the surface down to Level 170. The Company plans to complete the installation of the exhaust system down to Level 215 and additional cooling systems at depth in the second quarter of 2003.

The Company also expects to build a water treatment plant at the LaRonde Mine during 2003. The project is currently in the engineering and procurement phase. In the meantime, the Company is storing the water used at the LaRonde Division that is not recycled on site for future treatment. Currently, approximately 90% of water used at the LaRonde Division is recycled and used in operations.

The Company has set up a team to study a deep development project at LaRonde to access the Company's mineral resource base, located outside of the Penna Shaft infrastructure. The initial phase is to study the technical issues associated with deep mining, including ventilation and cooling at depth, hoisting constraints and capacity at depth and excavation stability. A detailed scoping study has been initiated and the results of this study are expected to be available in mid 2003.

The Company has planned capital expenditures of $39 million in 2003. The Company expects to spend approximately $36 million to complete the expansion at the LaRonde Division, including $7.5 million for the new water treatment plant, and $3 million on other projects.

Mineral Reserve and Mineral Resource

The information set forth below with respect to the mineral reserves at the LaRonde Division has been prepared by Guy Gosselin, P.Eng., Ing., the LaRonde Division's Chief Geologist and reviewed by the qualified person, Marc Legault, P.Eng, Ing., Agnico-Eagle's Manager, Project Evaluation in accordance with the Canadian Securities Administrators' National Instrument 43-101 ("National Instrument 43-101"). The criteria set forth in National Instrument 43-101 are similar to the reserve definitions and guidelines for classification of mineral resource used by the U.S. Bureau of Mines and U.S. Geological Survey. However, the definitions in National Instrument 43-101 differ in certain respects from the definitions set forth in the United States Securities and Exchange Commission's Industry Guide No. 7 concerning mining operations. The Company's mineral reserve estimate was derived from internally generated data or audited reports. The proven and probable mineral reserves set forth in the table below are based on a $300 per ounce gold price, cut-off grade of 0.09 ounces of gold per ton and a net smelter return cut-off that varies between C$59 per ton and C$38 per ton depending on the deposit. The metal grades reported in the mineral reserve estimate represent in-place grades and do not reflect long-term losses in the recovery process. The mineral reserve figures presented herein are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

The 2002 mineral reserve and mineral resource estimate was calculated using a gold price of $300 per ounce, unchanged since 2000. The silver, copper and zinc prices were also maintained at $5.00 per ounce, $0.80 per pound and $0.50 per pound, respectively. The Canadian dollar/US dollar exchange rate was unchanged from 2001 at C$1.50 (per $1.00) but changed from C$1.47 used in 2000.

	at December 31,		
	2002	**2001**	**2000**
Gold			
Proven (1) - tons	3,800,000	1,900,000	2,200,000
Average grade - gold ounces per ton	0.13	0.17	0.20
Probable - tons	22,700,000	18,200,000	15,100,000
Average grade - gold ounces per ton	0.13	0.14	0.16
Zinc			
Proven - tons	4,200,000	4,500,000	4,700,000
Average grade - gold ounces per ton	0.03	0.03	0.03
Probable - tons	11,000,000	11,700,000	11,700,000
Average grade - gold ounces per ton	0.03	0.03	0.03
Total mineral reserve - tons	41,700,000	36,300,000	33,700,000
Total contained gold ounces (2)	4,022,000	3,267,000	3,256,000

Tonnage information is rounded to the nearest 100,000 tons.

Notes:

(1) "Mineral Resource" means a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

"Mineral Reserve" means the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must indicate adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may incur when the material is mined.

"Proven Mineral Reserve" means the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

"Probable Mineral Reserve" means the economically mineable part of an Indicated and in some circumstances a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of operating, that economic extraction can be justified.

"Indicated Mineral Resource" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"Measured Mineral Resource" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"Preliminary Feasibility Study" means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating, economic factors and the evaluation of other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.

Canadian Securities Administrators' National Instrument 43-101 requires mining companies to disclose reserves and resources using the subcategories of "proven" reserves, "probable" reserves, "measured" resources, "indicated" resources and "inferred" resources. The Company calculates and reports "proven" and "probable" mineral reserves only. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

"Cut-off Grade" means (a) the lowest grade of mineralized rock that qualifies as ore grade in a given deposit and (b) the lowest grade below which the mineralized rock currently cannot be profitably exploited. Cut-off grades vary between deposits depending upon the amenability of ore to gold extraction and upon costs of production.

(2) Represents contained gold ounces and does not include equivalent gold ounces for the byproduct metals contained in mineral reserve.

Reconciliation of LaRonde Division Mineral Reserve

The following table shows the reconciliation of mineral reserve (in nearest 100,000 tons) at the LaRonde Division by category as at December 31, 2001 to December 31, 2002.

	Proven	Probable	Total
December 31, 2001	6,400,000	29,900,000	36,300,000
Mined	(2,000,000)	-	(2,000,000)
Revision	3,600,000	3,800,000	7,400,000
December 31, 2002	**8,000,000**	**33,700,000**	**41,700,000**

Preparation of Scientific and Technical Data

The Company's Manager, Project Evaluations, Marc H. Legault, P.Eng, a "qualified person" under National Instrument 43-101, has supervised the preparation of and verified the information that forms the basis for the scientific and technical information in this Form 20-F. The personnel at the LaRonde Division utilize quality assurance procedures and assay protocols in connection with drilling and sampling that conform to industry-accepted quality control procedures. Exploration drilling is carried out on approximately a 400 foot by 400 foot pattern, whereas reserve drilling is carried out on approximately a 130 foot by 130 foot pattern. Samples are taken at regular (one to five foot) intervals and assayed for gold using the fire assay method. Drill hole collar, survey and assay information used in modelling and resource estimation are manually verified by on-site geologic staff and all core samples are verified by independent assay laboratories. Factors that could affect the accuracy or reliability of the results of the sampling and assaying carried out at the LaRonde Division include uncleanliness of the coreshack area, a dirty coresaw, the lack of an unobstructed drain for water and rock cuttings during the cutting process, the inability to collect uniform representative samples of adequate size, as well as an ore core recovery of less than 100%. In cases of irregular mineralization, representative samples are sometimes chosen in order to avoid introducing a sampling bias during cutting.

Further information on the verification procedures, the quality assurance program, quality control procedures and a full discussion of the factors that may materially affect mineral reserve and mineral resource estimates may be found in the 2003 LaRonde Mineral Resource and Mineral Reserve Estimate, Agnico-Eagle Mines Limited, LaRonde Division dated February 19, 2003, filed with Canadian Securities Administrators on SEDAR.

Lapa Project

The Lapa Project is an exploration property located approximately seven miles east of the LaRonde mine near Cadillac, Quebec and is accessible by provincial highway. The Lapa Property, which contains the Contact Zone deposit, is made up of the Tonawanda property, which consists of 42 mining claims totalling approximately 1,912 acres, and the Zulapa property, which consists of one mining concession totalling approximately 231 acres. On expenditure of an aggregate of C$3.5 million over a five-year period on the Lapa Project and subject to certain other payment obligations totalling C$0.2 million, the Company has the option to acquire from Breakwater Resources Ltd. and a wholly-owned subsidiary thereof (collectively "Breakwater") a 60% interest in the Lapa Property for no further consideration. Under a joint operating agreement between the Company and Breakwater, the Company may acquire a further 10% interest in the Lapa Property on payment of C$1 million to Breakwater at any time prior to a feasibility study being approved or delivered under such agreement. In addition, under the joint operating agreement the Company may acquire a further 10% interest in the Lapa Property on the Company funding and completing an independent feasibility study regarding the Lapa Property. The entire property is subject to a 5% net profit royalty and, on the Zulapa property, an additional 2.5% net smelter return royalty in favour of a third party.

On April 23, 2003 the Company and Breakwater signed a letter of intent pursuant to which the Company will acquire the entire Lapa Property outright for payment of $8.925 million at closing, a 1% net smelter return royalty on the Tonawanda property and a 0.5% net smelter return royalty on the Zulapa property. An additional $1 million is payable to Breakwater if published inferred mineral resource at the Lapa Project reaches 2.0 million ounces of gold. Of the total potential cash consideration of $9.925 million, $2.0 million may be used by the Company as a credit to offset net smelter return royalties payable. Closing of the transaction is subject to the completion of definitive legal documentation.

In January 2003, a mineral resource estimate was completed on the Contact Zone deposit conforming with National Instrument 43-101. The inferred mineral resource is estimated to be approximately 3.3 million tons grading 0.249 ounces of gold per ton. The estimate is based on a $300 per ounce gold price, a cut-off grade of 0.16 ounces per ton, a Canadian dollar/US dollar exchange rate of C$1.50 (per $1.00). High assay values were capped at 1.5 ounces of gold per ton. The estimate used a polygonal interpolation method with intercepts projected onto a vertical longitudinal section. Drill hole composites were adjusted so that a minimum measured orthogonal thickness of 9.2 feet was reached. A specific gravity of 3.1 was used to estimate the tonnage of the polygon volumes. Inferred class polygons were limited to 160 feet beyond a drill hole.

Drilling on the Lapa Property identified a new high-grade contact zone that extends the previously identified mineralization and established an inferred resource of 816,000 ounces after four months of drilling. In 2002, 16 holes were drilled in the Contact Zone at the Lapa Property, 11 of which have intersected significant grades. Most of the mineralized drill holes contain visible gold and average about 15 feet width grading an average of about 0.30 ounces per ton. The highlight of the drilling program was drill hole 118-03-04A which intercepted a 99-foot width of mineralization at 3,000 feet below surface at an average grade of 0.21 (0.26 uncut) ounces per ton. The drilling has confirmed high gold concentration and that the Contact Zone is open at depth into the east.

Subsequent drilling at the Lapa Property has focused on extending the Contact Zone. To date, the zone has been traced of over a length of 13,000 feet and to a vertical depth of 2,000 feet. In 2003 the Company expects to spend $2.2 million on the next phase of drilling on the Lapa Property. In 2003, four drills will be used on the Lapa Property. The goals of the drilling program are to infill drill on 100-foot centres, test the down-lip extension of the deposit at depth, test the eastern extent of the Contact Zone and acquire mineralized material for metallurgical testing.

Goldex Project

The Goldex Project is an exploration property held under 22 claims, totalling approximately 661.7 acres. The Goldex Project is located in Val d'Or, Quebec and is accessible by provincial highway. The claims are renewable every second year upon payment of a small fee. The Company has a 100% working interest in the Goldex Project containing the Goldex Extension deposit, which is subject to a 1% net smelter return in favour of a third party. The surface facilities at the Goldex Project include a headframe, a surface building containing a mechanical shop, a warehouse, an office and a 2,600-foot shaft, which provides underground access. Underground exploration drilling in 1997 confirmed earlier results that outlined a large zone of low-grade mineralization for which a mineral resource of 25.4 million tons, grading 0.072 ounces of gold per ton, using a cutting factor of one ounce per ton, was calculated. The 1997 study also noted the apparent presence of a higher-grade core of 12.3 million tons grading 0.077 ounces of gold per ton within the larger 25.4 million ton envelope. However, in 1997, in view of the then-prevailing market price of gold, the property was placed on a care and maintenance basis. In September 1998, the workings were allowed to flood. The carrying value of the Goldex Project was written down to nil in 1997.

In January 2003, a new mineral resource estimate was completed conforming with National Instrument 43-101. The indicated mineral resource of the Goldex Extension Zone is estimated to be approximately 13.7 million tons at 0.073 ounces of gold per ton with an additional 5.6 million tons grading 0.075 ounces of gold per ton in the inferred mineral resource category. The estimate is based on a $300 per ounce gold price, a cut-off grade of 0.045 ounces per ton and 0.03 ounces per ton for internal dilution (or sloughing), a Canadian dollar/US dollar exchange rate of C$1.50 (per $1.00). Drill hole samples were composited in ten feet intervals, down hole and high assay values were capped at 0.75 ounces of gold per ton (based on the reconciliation results of the bulk sample with the surrounding drill hole and chip sample results). The estimate used an inverse distance squared interpolation method using a 300 foot spherical search radius, a block size of 25 feet by 25 feet by 25 feet and a bulk density of 0.085 tons per cubic foot. Blocks within the indicated class were no more than 75 feet distant from a drill hole, inferred class beyond that to a maximum of 150 feet. At the end of 2002, a new feasibility study was initiated using the new resource and a 10,000 tons-per-day milling rate. The study is expected to be completed during the second quarter of 2003.

Ellison Property

The Ellison Property is an exploration property located approximately three miles west of the LaRonde Mine near Cadillac, Quebec and is accessible by road. The Ellison Property is made up of eight mining claims totalling approximately 250 acres. The Company has a 100% working interest in the Ellison property containing the Zone A deposit. In January 2003, a mineral resource estimate was completed on the Zone A deposit conforming with National Instrument 43-101. The indicated mineral resource is estimated to be 249,000 tons at 0.164 ounces of gold per ton with an additional 579,000 tons grading 0.183 ounces of gold per ton in the inferred mineral resource category. The estimate is based on a $300 per ounce gold price, a cut-off grade of 0.12 ounces per ton and a Canadian dollar/US dollar exchange rate of C$1.50 (per $1.00). High assay values were capped at 1.0 ounces of gold per ton. The estimate used an inverse distance squared interpolation method using a 150 foot spherical search radius between drill hole composite intercepts projected onto a vertical longitudinal section. The drill hole composites were adjusted so that a minimum measured orthogonal thickness of 7.9 feet was reached for each intercept. Block size was 15 feet by 15 feet by the interpolated thickness between drill hole intercepts. A specific gravity of 3.1 was used to estimate the tonnage of each block. Blocks within the indicated class were no more than 66 feet distant from a drill hole, inferred class beyond that to a maximum of 130 feet.

Joutel Project

The Joutel properties consist of the Eagle Mine (including the Eagle West Zone) and the Telbel Mine, in Joutel Township, Quebec and the Vezza Project in Vezza, Noyon and Cavelier Townships in Quebec. The Eagle Mine and Telbel Mine are held under two adjoining provincial mining leases, totalling approximately 911 acres. The Eagle Mine and Telbel Mine facilities were dismantled in 2000. The mines are located approximately 120 miles north of Val d'Or, Quebec and are accessible by provincial highway. The Eagle West and Telbel Mine leases (which are renewable annually by payment of a small fee) expire on September 27, 2012 and July 26, 2004, respectively.

Mining and milling operations at the Eagle and Telbel Mines in Joutel ceased in December 1993 and the Company began the restoration of the Joutel mining and milling site in 1998. Under current conditions, the Joutel mine site has no proven and probable mineral reserve at December 31, 2002. The carrying value of the Joutel mine site was written down to nil in 1997.

During 1996, the Company submitted a mine closure plan for the Joutel Project to the Minister of Natural Resources of Quebec. Based on this closure plan, the estimated current reclamation cost is $0.3 million. Expenditures on reclamation at the Joutel Project under this closure plan were $0.2 million in 2001 and $0.1 million in 2002. As of December 31, 2002, the Company's reclamation provision for the Joutel Project was $0.9 million.

The dismantling of the mill at the Joutel Project was completed in the fall of 2000. All decommissioning and rehabilitation of the Joutel property has been completed except for the tailings area. In 2002, the Company submitted a modelling study with respect to the tailings area to the Ministry of Environment in Quebec. If the plan is accepted, the Company would monitor the site for an additional two years before commencing contouring and re-vegetation.

Vezza Project

The Company's Vezza Project is located approximately 38 miles from the Joutel properties and consists of the Vezza deposit located in Vezza Township, Quebec and a number of properties in the Vezza, Noyon and Cavalier Townships in Quebec. The Vezza deposit is estimated to contain a mineral resource of 2.76 million tons grading 0.136 ounces of gold per ton. The mineral resource calculation is based on 352 drill holes using a cutting factor of 0.87 ounces of gold per ton and a mining dilution factor of approximately 38%. The Company owns 100% of the Vezza deposit free of royalty interests. In view of the then-prevailing market price of gold, the Vezza Project was written down to nil in 1997.

The project was put on care and maintenance and the workings were allowed to flood in 1998.

The Vezza Project currently comprises ten exploration properties held under 578 mining claims, totalling approximately 22,152 acres. The Vezza Project is centred around the Vezza deposit which is located approximately 38 miles north-east of Joutel, Quebec and is accessible by provincial highway. The claims are renewable every second year upon payment of a small fee.

Victoria Creek Project

Low gold price and poor results returned by an underground exploration program resulted in the closure in 1998 of Sudbury Contact's Victoria Creek Project located in the Kirkland Lake gold camp in Ontario. In 1998, the project was placed on care and maintenance after the completion of the underground program in the second quarter and underground workings flooded to minimize expenditures. In 2001, the decision was made to dismantle and remove all surface infrastructure and complete the closure of the Victoria Creek site. In view of the prevailing market price of gold in 1997, the Victoria Creek Project was written down to nil that year. The site was restored and returned to the original vendor in 2002.

Silver Division

From 1953 through 1988, the Company operated several silver mines in the district of Cobalt, Ontario. In November 1988, the Company suspended operations at the Silver Division. The mine closure plan was accepted in 2000 by the Minister of Northern Development and Mines in Ontario and work on reclamation was completed in 2002.

Agnico-Eagle's Exploration Activities

Agnico-Eagle and its subsidiary companies continued to actively explore in Quebec, Ontario, Newfoundland, Nevada and Idaho. At the end of December 2002, the combined land holdings of Agnico-Eagle and Sudbury Contact consisted of 2,876 claims covering 208,208 acres. Consolidated expenditures of Agnico-Eagle and Sudbury Contact for exploration in 2002 reached $6.4 million; a total of 214 diamond and reverse circulation holes were drilled for a total length of 166,646 feet. See also " — Property, Plant and Equipment — Geology and Diamond Drilling" and " — Lapa Project" for information on exploration and diamond drilling at the LaRonde Mine and the Lapa Project, respectively.

Agnico-Eagle's Exploration Division

During 2002, Agnico-Eagle's Exploration Division actively explored eight of the Company's 42 properties. The exploration activities were located in the LaRonde, Lapa, Joutel, Vezza, Rouyn, Timmins and central Newfoundland areas. A total of 97 diamond drill holes were drilled for a total length of 105,592 feet. The fieldwork preceding the diamond drilling campaign consisted of magnetic and IP (Induced Polarization) surveys, mapping, trenching and compilation work.

Sudbury Contact Mines Limited

Sudbury Contact is an Ontario mineral exploration and development company engaged in the exploration for deposits of diamond and precious metals. Its most significant asset consists of a 100% interest in certain mineral claims located in northeastern Ontario and northwestern Québec on which the Company is conducting diamond exploration activities (the "Timiskaming Diamond Project"). Sudbury Contact also explores for deposits of precious metals and holds claims on precious metal exploration properties located in proven mineral producing regions in eastern Canada and the western United States.

In May 2002, Sudbury Contact reactivated the Timiskaming Diamond Project on properties that were the subject of Sudbury Contact's regional exploration program conducted from 1991 to 1997. This exploration program resulted in the discovery of kimberlite pipes which, along with lamproite pipes, are known to yield the vast majority of diamonds in the world. The Timiskaming Diamond Project consists of four kimberlite pipes, namely kimberlite pipes 95-1, 95-2, 96-1 and MR-6. Kimberlite pipe 95-2 and MR-6 have yielded the best results to date.

In 2002, Sudbury Contact reviewed a large number of surface and reverse circulation drill-derived till samples collected from 1991 to 1997 on the Timiskaming Diamond Project. These sample results, along with previously obtained geophysical surveys, provided Sudbury Contact with a substantial database of exploration information. Based on this data, Sudbury Contact embarked on an aggressive program of land acquisition and more detailed, higher resolution, airborne geophysical surveying. Sudbury Contact also performed additional drilling on the Timiskaming Diamond Project to supplement the results of the regional diamond exploration program.

The delineation drilling programs conducted in 2002 and 2003 on kimberlite 95-2 have confirmed that a diamond deposit with an area of approximately 12 acres is present. Based on the results from the 13 core holes received, it is estimated that 23 to 25 million tonnes of kimberlite is located in kimberlite 95-2 to a depth of less than 1,000 feet. Sudbury Contact has received encouraging results from microdiamond testing on samples extracted from the eastern portion of the pipe. Based on the number, weight and size of diamonds found in the samples taken from the

14 confirmed kimberlite pipes found by Sudbury Contact and others in the Lake Timiskaming region, Sudbury Contact's kimberlite 95-2 has exhibited the best results.

Based on the encouraging results received from these recent exploration activities, Sudbury Contact is now allocating a significant portion of its resources to the Timiskaming Diamond Project. Depending on the evaluation of recent drilling results expected to be completed by July 2003, Sudbury Contact expects to begin a mini-bulk sampling program on the Timiskaming Diamond Project in the fall of 2003 with a planned cost of C$3 million. If warranted by the results, Sudbury Contact will proceed with a pre-feasibility study on the Timiskaming Diamond Project in 2004 followed by a feasibility study in 2005. In addition, the Company will continue delineation drilling on the more promising kimberlites and conduct further drill testing on priority geographical targets in the area.

As of December 31, 2002, the Timiskaming Diamond Project consisted of 275 claims covering approximately 79,000 acres.

In 2002, Sudbury Contact continued its exploration efforts on its precious metals properties, including its Charlebois and Fenton projects in Quebec and Colchester and Moosehead projects in Newfoundland. On December 31, 2002, Sudbury Contact's land position in Canada in respect of precious metal projects consisted of 26 properties with 700 claims covering 79,000 acres.

On December 4, 2002, Sudbury Contact issued 909,091 common shares by a private placement to two purchasers for aggregate proceeds of C$2 million. In connection with the subscription agreement, Sudbury Contact agreed to incur an equivalent amount of Canadian exploration expense and renounce the related Canadian income tax deductions to the purchasers. On December 30, 2002, Sudbury Contact issued to SIDEX, Limited Partnership 227,274 units, each unit consisting of one common share of Sudbury Contact and one-half of a Sudbury Contact share purchase warrant for aggregate proceeds of C$0.5 million.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

See "Management's Discussion and Analysis of the Company's Operations and Financial Condition — Results of Operations" on pages 25 to 29 of Exhibit 99C to this Form 20-F for information about operations and production, which should be read in conjunction with the consolidated financial statements and accompanying notes, and in conjunction with "Item 3: Key Information — Risk Factors" on pages 4 to 10 of this Form 20-F.

Liquidity and Capital Resources

See "Management's Discussion and Analysis of Operations and Financial Condition — Liquidity and Capital Resources" on pages 30 to 32 of Exhibit 99C to this Form 20-F for information about the Company's liquidity. In the opinion of the Company, its working capital is sufficient for its present requirements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors and Senior Management

The information under "Election of Directors" on pages 4 and 5 of Exhibit 99D to this Form 20-F is incorporated herein by reference.

At the annual and special meeting of shareholders held on June 21, 2002, the shareholders of the Company approved a resolution amending the by-laws of the Company to provide that directors shall hold office for a term expiring at the next annual meeting of shareholders after such directors' election or appointment or until their successors are elected or appointed. Previously, the directors had held office for a term expiring at the second annual meeting of shareholders after such directors' election or until their successors are elected or appointed. The Board of Directors annually appoints the officers of the Company, who are subject to removal by resolution of the Board at any time, with or without cause (in the absence of a written agreement to the contrary). For information relating to employment agreements between the Company and certain of its senior officers, see "Executive Compensation — Employment Contracts /Termination Arrangements" on pages 10 and 11 of Exhibit 99D to this Form 20-F.

The following is a brief biography of each of Agnico-Eagle's directors and senior officers:

Leanne M. Baker is a director of Agnico-Eagle. Dr. Baker currently acts as a consultant to companies in the mining and financial services industries. Previously, Dr. Baker was employed by Salomon Smith Barney where she was one of the top-ranked mining sector equity analysts in the United States. Dr. Baker is a graduate of the Colorado School of Mines (M.S. and Ph.D. in mineral economics). Dr. Baker was appointed director of Agnico-Eagle effective January 1, 2003.

Douglas R. Beaumont, P.Eng. is a director of Agnico-Eagle. Mr. Beaumont, now retired, is a former Senior Vice-President, Process Technology with SNC Lavalin. Prior to that he was Executive Vice-President of Kilborn Engineering & Construction Ltd. Mr. Beaumont is a graduate of Queen's University (B.Sc.). Mr. Beaumont has been a director of Agnico-Eagle since February 25, 1997. Mr. Beaumont is also a director of Blackhawk Mining Inc., a gold mining company traded on the TSX.

Sean Boyd, C.A. is the President and Chief Executive Officer and a director of Agnico-Eagle. Mr. Boyd has been with Agnico-Eagle since 1985. Prior to his appointment as President and Chief Executive Officer in 1998, Mr. Boyd served as Vice-President and Chief Financial Officer from 1996 to 1998, Treasurer and Chief Financial Officer from 1990 to 1996, Secretary-Treasurer during a portion of 1990, and Comptroller from 1985 to 1990 and prior to that was a chartered accountant with Clarkson Gordon. Mr. Boyd is a graduate of the University of Toronto (B.Comm.). Mr. Boyd has been a director of Agnico-Eagle since April 14, 1998, and is also President and Chief Executive Officer of Sudbury Contact, a 63.7%-owned subsidiary of Agnico-Eagle traded on the TSX. Mr. Boyd is also a director of Golden Goliath Resources Ltd., a junior exploration company, and a director of the Mining Association of Canada.

John T. Clement, Q.C. is Vice-President and a director of Agnico-Eagle. Mr. Clement currently practises law as a sole practitioner. Formerly, Mr. Clement was an elected representative in the legislative assembly of Ontario and served as Minister of Consumer and Commercial Relations, Provincial Secretary for Justice and Attorney General of Ontario for a period of three years. Mr. Clement is a graduate of Osgoode Hall Law School (LL.B.). Mr. Clement has been a director of Agnico-Eagle since May 10, 1989. In addition to the positions he holds with Agnico-Eagle, Mr. Clement is a director of Agnico-Eagle's subsidiary, Sudbury Contact. Mr. Clement will retire from his positions as director and Vice-President of Agnico-Eagle on June 19, 2003, but will continue to serve on the board of directors of Sudbury Contact.

Dr. Alan Green is a director of Agnico-Eagle. Dr. Green is currently a self-employed dentist. Dr. Green is a graduate of the University of Toronto (D.D.S.). Dr. Green has been a director of Agnico-Eagle since August 8, 1995.

Bernard Kraft, C.A. is a director of Agnico-Eagle. Mr. Kraft is a senior partner of the Toronto accounting firm Kraft, Berger, Grill, Schwartz, Cohen & March LLP, Chartered Accountants and a principal in Kraft Yabov Valuations Inc. Mr. Kraft is a member of the Canadian Institute of Chartered Business Valuators, the Association of Certified Fraud Examiners and the American Society of Appraisers. Mr. Kraft has been a director of Agnico-Eagle since March 12, 1992. Mr. Kraft is also a director of Canadian Shield Resources Inc., a mining exploration company traded on the TSX Venture Exchange.

Mel Leiderman, C.A., TEP is a director of Agnico-Eagle. Mr. Leiderman is the managing partner of the Toronto accounting firm Lipton, Wiseman, Altbaum & Partners LLP. Mr. Leiderman is a graduate of the University of Windsor (B.A.). Mr. Leiderman was appointed director effective January 1, 2003.

James D. Nasso is Chairman of the Board of Directors and a director of Agnico-Eagle. Mr. Nasso, recently retired, founded and was the President of Unilac Limited, a manufacturer of infant formula, for the past 35 years. Mr. Nasso is a graduate of St. Francis Xavier University (B. Comm.). Mr. Nasso has been a director of Agnico-Eagle since June 27, 1986. In addition to the positions that he holds with Agnico-Eagle, Mr. Nasso is also a director of Agnico-Eagle's subsidiary, Sudbury Contact.

Ernest Sheriff is a director of Agnico-Eagle, a position he has held since March 29, 1996. Mr. Sheriff is a self-employed prospector.

Anton Adamcik, P.Eng. is Vice-President, Environment and Special Projects of Agnico-Eagle, a position he has held since October 1, 2002. Prior to his appointment as Vice-President, Environment and Special Projects, Mr. Adamcik served as Vice-President, Exploration and Environment from September 19, 1996; prior to that Mr. Adamcik served as the Company's general manager from 1981. Mr. Adamcik is a graduate of the University of Zagreb (B.Sc.-Geological Engineering). Mr. Adamcik also serves as Vice-President, Environment of Agnico-Eagle's subsidiary, Sudbury Contact.

Donald G. Allan is Vice-President, Corporate Development of Agnico-Eagle, a position he has held since May 6, 2002. Prior to his appointment as Vice-President, Corporate Development, Mr. Allan spent 16 years as an investment banker covering the mining and natural resources sectors with the firms Salomon Smith Barney and Merrill Lynch. Mr. Allan is a graduate of the Amos Tuck School, Dartmouth College (M.B.A.) and the University of Toronto (B. Comm.). Mr. Allan is also qualified as a Chartered Accountant.

Alain Blackburn, P.Eng. is Vice-President, Exploration of Agnico-Eagle, a position he has held since October 1, 2002. Prior to his appointment as Vice-President, Exploration, Mr. Blackburn served as Manager, Corporate Development of Agnico-Eagle from January 1999 and as Agnico-Eagle's Exploration Manager from September 1996 to January 1999. Mr. Blackburn is a graduate of Université du Québec de Chicoutimi (P.Eng.) and Université du Québec en Abitibi-Temiscamingue (M.Sc.). Mr. Blackburn also serves as Vice-President, Exploration of Agnico-Eagle's subsidiary, Sudbury Contact.

David Garofalo, C.A. is Vice-President, Finance and Chief Financial Officer of Agnico-Eagle, a position he has held since January 1, 1999, prior to which he served as Treasurer of Agnico-Eagle from June 8, 1998. Prior to joining Agnico-Eagle, Mr. Garofalo served as Treasurer of Inmet Mining Corporation, an international mining company. Mr. Garofalo is a graduate of the University of Toronto (B. Comm.). Mr. Garofalo also serves as Vice-President, Finance and Chief Financial Officer of Agnico-Eagle's subsidiary, Sudbury Contact.

Barry Landen is Vice-President, Corporate Affairs of Agnico-Eagle, a position he has held since February 19, 2003. Prior to that date he served as Vice-President and Corporate Secretary from September 19, 1996. Mr. Landen has been with Agnico-Eagle for 22 years and has, in addition, served as Secretary-Treasurer and Secretary of Agnico-Eagle. Mr. Landen is a graduate of York University (B.Comm.). Mr. Landen also serves as Vice-President and Corporate Secretary of Agnico-Eagle's subsidiary, Sudbury Contact.

Eberhard Scherkus, P.Eng. is Executive Vice-President and Chief Operating Officer of Agnico-Eagle, a position he has held since February 6, 1998. Prior to his appointment as Executive Vice-President and Chief Operating Officer, Mr. Scherkus served as Vice-President, Operations from September 19, 1996 and prior to that as a manager of the Company's LaRonde Division. Mr. Scherkus is a graduate of McGill University (B.Sc.). Mr. Scherkus also serves as Executive Vice-President of Agnico-Eagle's subsidiary, Sudbury Contact.

There are no arrangements or understandings between any director or executive officer and any other person pursuant to which such director or executive officer was selected to serve, nor are there any family relationships between any such persons.

Compensation of Directors and Officers

The information set forth under the caption "Executive Compensation" on pages 6 to 13 of Exhibit 99D to this Form 20-F (excluding the sections entitled "Composition of Compensation Committee", "Report on Executive Compensation" and "Performance Graph" contained therein) is incorporated herein by reference.

Board Practices

See "Election of Directors" on pages 4 and 5 of Exhibit 99D to this Form 20-F, "Executive Compensation — Compensation of Directors" on page 13 of Exhibit 99D to this Form 20-F and "Statement of Corporate Governance Practices" on pages 17 to 22 of Exhibit 99D to this Form 20-F.

Employees

As of March 31, 2003, the LaRonde Division employed 521 persons. The employees are not unionized. Development miners work five days per week, eight hours per day on a two shift per day basis. Production employees work four days per week, 10 hours per day. Two shifts of miners are employed on a seven day per week year round basis.

As of March 31, 2003, the Executive Office and Exploration Division employed fifteen and five persons, respectively.

The number of employees employed by the Company at the end of 2002, 2001 and 2000 were 457, 397 and 358, respectively.

Share Ownership

As of April 23, 2003, officers and directors as a group (15 persons) beneficially owned or controlled (excluding options to purchase 1,845,450 common shares, of which 1,758,450 are currently exercisable and 87,000 are currently unexercisable) an aggregate of 373,699 common shares or about 0.45% of the 83,722,391 issued and outstanding common shares. See also "Executive Compensation — Options to Purchase Securities" on pages 7 and 8 of Exhibit 99D to this Form 20-F.

Security Ownership of Directors and Executive Officers

The following table sets forth the number of common shares of the Company owned by each director and executive officer of the Company as of April 23, 2003. In each case, the number of common shares listed in the table includes common shares purchased under the Company's Employee Stock Option Plan, the Company's Incentive Share Purchase Plan or on the open market but excludes common shares underlying immediately exercisable options.

Name of Beneficial Owner	Number of Common Shares of the Corporation Beneficially Owned, Controlled or Directed (Directly or Indirectly)
James D. Nasso, Director and Chairman of the Corporation	17,066
Sean Boyd, Director, President and Chief Executive Officer	128,506
John T. Clement, Director and Vice-President	4,825
Douglas R. Beaumont, Director	4,825
Dr. Alan Green, Director	83,251 (1)
Bernard Kraft, Director	4,825
Ernest Sheriff, Director	9,825 (2)
Leanne M. Baker, Director	NIL
Mel Leiderman, Director	NIL
Eberhard Sherkus, Executive Vice-President and Chief Operating Officer	42,909
David Garofalo, Vice-President, Finance and Chief Financial Officer	22,834
Barry Landen, Vice-President, Corporate Affairs	50,345
Anton Adamcik, Vice-President, Environment	3,127
Donald G. Allan, Vice-President, Corporate Development	233
Alain Blackburn, Vice-President, Exploration	1,287

Notes:

(1) Including 18,804 shares held by Bonaventure Uranium Mines Limited, over which Dr. Green exercises direction.

(2) Including 5,000 common shares held by Tower Financial Corporation Limited, a corporation wholly-owned by Ernest Sheriff

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

Fidelity Management & Research Company, Fidelity Management Trust Company and Fidelity International Limited have filed reports with securities regulators stating that they collectively have control over 12,235,214 common shares of the Company (14.6%) and that FMR Corp. may be deemed a joint actor with each of the above entities as certain officers of FMR Corp. are trustees of certain of such entities. To the knowledge of the directors and senior officers of the Company, as of April 23, 2003, no other person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 5% of the voting rights attached to all common shares of the Company.

As of March 31, 2003, there were: (i) 4,823 holders of record of Agnico-Eagle's 83,722,391 outstanding common shares, of which 4,249 holders of record were in the United States and held 34,916,871 common shares or about 41.7% of the outstanding common shares, (ii) two holders of record of Agnico-Eagle's 6,900,000 outstanding Share Purchase Warrants, of which one holder of record was in the United States and held 4,423,500 Share Purchase Warrants or about 64.1% of the outstanding Share Purchase Warrants, and (iii) there was one holder of record of Agnico-Eagle's Convertible Debentures who was not in the United States.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the

Company. To the best knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Related Party Transactions

The information set forth under the captions "Indebtedness of Directors, Executive Officers, and Senior Officers" and "Interest of Insiders in Material Transactions and Management Contracts" on pages 14 to 16 of Exhibit 99D to this Form 20-F is incorporated herein by reference.

ITEM 8. FINANCIAL INFORMATION

The consolidated financial statements furnished pursuant to Item 18 are presented in accordance with US GAAP. Consolidated financial statements under Canadian GAAP are prepared and separately delivered to shareholders for statutory reporting purposes.

The information set forth under the caption "Management's Discussion and Analysis of the Company's Operations and Financial Condition" on pages 25 to 36 of Exhibit 99C to this Form 20-F is incorporated herein by reference.

During the period under review, inflation has not had a significant impact on the Company's operations.

ITEM 9. THE OFFER AND LISTING

Market and Listing Details

Agnico-Eagle's common shares are listed and traded in Canada on The Toronto Stock Exchange ("TSX") and in the United States on the New York Stock Exchange ("NYSE"). Agnico-Eagle's 2004 senior convertible notes issued on January 27, 1994 were quoted on the Nasdaq SmallCap Market prior to their redemption on March 18, 2002. Agnico-Eagle's 4.5% convertible subordinated debentures due 2012 (the "Convertible Debentures") trade on the TSX under the symbol "AGE.DB.U". Trading of the Convertible Debentures on the TSX commenced on February 15, 2002. Agnico-Eagle's share purchase warrants (the "Share Purchase Warrants") trade on the TSX and the Nasdaq National Market (the "Nasdaq"). Trading of the Share Purchase Warrants on the TSX and Nasdaq began on November 7, 2002.

The following table sets forth the high and low sale prices for Agnico-Eagle's common shares on the TSX and the NYSE for each of the five fiscal years ended December 31, 2002 and for each quarter during the two fiscal years ended December 31, 2002.

	TSX		NYSE	
	High	Low	High	Low
1998	C$ 11.55	C$ 4.21	$ 8.00	$ 2.62
1999	14.25	6.20	9.68	4.00
2000	11.75	7.30	7.93	4.87
2001	18.50	7.97	11.75	5.21
2002	27.59	15.65	17.98	9.83
2001				
First Quarter	12.39	7.97	7.99	5.21
Second Quarter	14.40	9.51	9.93	6.01
Third Quarter	18.50	12.27	11.75	8.00
Fourth Quarter	17.90	13.79	11.20	8.60
2002				
First Quarter	22.19	15.65	13.90	9.83
Second Quarter	27.59	20.05	17.98	12.70
Third Quarter	26.89	15.98	16.95	9.95
Fourth Quarter	25.38	16.58	15.98	10.56

The following table sets forth the high and low sale prices for Agnico-Eagle's common shares on the TSX and the NYSE for the last six months.

	TSX		NYSE	
	High	Low	High	Low
2002				
October	C$ 25.38	C$ 18.71	$ 15.98	$ 12.00
November	19.80	16.62	12.56	10.56
December	24.21	16.58	15.45	10.65
2003				
January	24.94	19.68	16.47	12.80
February	23.04	19.60	15.20	12.90
March	20.45	16.42	13.94	11.11
April (to April 23)	16.88	14.91	11.45	10.00

On April 23, 2003, the closing price of the common shares was C$15.60 on the TSX and $10.71 on the NYSE.

The following table sets forth the high and low sale prices for the Company's Share Purchase Warrants on the TSX and Nasdaq since trading began on November 14, 2002 and November 7, 2002, respectively ("Trading Start").

	TSX		NASDAQ	
	High	Low	High	Low
2002				
November (from Trading Start)	$ 3.98	$ 2.85	$ 3.80	$ 3.15
December	5.55	2.86	5.45	3.10
2003				
January	5.80	4.50	5.50	4.45
February	5.50	4.35	5.54	4.40
March	4.80	3.18	4.65	3.59
April (to April 23)	3.50	3.00	3.70	3.00

On April 23, 2003, the closing price of the Share Purchase Warrants was $3.30 on the TSX and $3.00 on the Nasdaq.

The following table sets forth the high and low sales price for the Convertible Debentures, which commenced trading on February 15, 2002, on the TSX for the four quarters ended December 31, 2002.

	TSX	
	High	Low
2002		
First Quarter (from February 15)	$ 113.00	$ 98.00
Second Quarter	142.00	105.05
Third Quarter	135.00	95.30
Fourth Quarter	139.00	101.25

The following table sets forth the high and low sales price for the Convertible Debentures, which commenced trading on February 15, 2002, on the TSX for the last six months.

	TSX	
	High	Low
2002		
October	$ 139.00	$ 109.25

November	114.00	101.25
December	129.00	102.00
2003		
January	133.00	117.00
February	129.25	115.01
March	120.00	107.00
April (to April 23)	111.00	103.50

On April 23, 2003, the closing price of the Convertible Debentures was $110.00 on the TSX.

ITEM 10. ADDITIONAL INFORMATION

Memorandum and Articles of Incorporation

Articles of Amendment

The Company's articles of incorporation do not place any restrictions on the Company's objects and purposes.

Certain Powers of Directors

The *Business Corporations Act* (Ontario) (the "OBCA") requires that every director who is a party to a material contract or transaction or a proposed material contract or transaction with a corporation, or who is a director or officer of, or has a material interest in, any person who is a party to a material contract or transaction or a proposed material contract or transaction with the corporation, shall disclose in writing to the corporation or request to have entered in the minutes of the meetings of directors the nature and extent of his or her interest, and shall refrain from voting in respect of the material contract or transaction or proposed material contract or transaction unless the contract or transaction is: (a) an arrangement by way of security for money lent to or obligations undertaken by the director for the benefit of the corporation or an affiliate; (b) one relating primarily to his or her remuneration as a director, officer, employee or agent of the corporation or an affiliate; (c) one for indemnity of or insurance for directors as contemplated under the OBCA; or (d) one with an affiliate. However, a director who is prohibited by the OBCA from voting on a material contract or proposed material contract may be counted in determining whether a quorum is present for the purpose of the resolution, if the director disclosed his or her interest in accordance with the OBCA and the contract or transaction was reasonable and fair to the corporation at the time it was approved.

The Company's by-laws provide that the directors shall from time to time determine by resolution the remuneration to be paid to the directors, which shall be in addition to the salary paid to any officer or employee of the Company who is also a director. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Company's behalf other than the normal work ordinarily required of a director of the Company. The by-laws provide that confirmation of any such resolution by the Company's shareholders is not required.

The Company's by-laws also provide that the directors may: (a) borrow money upon the credit of the Company; (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Company, whether secured or unsecured; (c) to the extent permitted by the OBCA, give directly or indirectly financial assistance to any person by means of a loan, a guarantee on behalf of the Company to secure performance of any present or future indebtedness, liability or other obligation of any person, or otherwise; and (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, tangible or intangible, property of the Company to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or other obligation of the Company.

The directors may, by resolution, amend or repeal any by-laws that regulate the business or affairs of the Company. The OBCA requires the directors to submit any such amendment or repeal to the Company's shareholders at the next meeting of shareholders, and the shareholders may confirm, reject or amend the amendment or repeal.

Meetings of Shareholders

The OBCA requires the Company to call an annual shareholders' meeting not later than 15 months after holding the last preceding annual meeting and permits the Company to call a special shareholders' meeting at any time. In addition, in accordance with the OBCA, the holders of not less than 5% of the Company's shares carrying the right to vote at a meeting sought to be held may requisition our directors to call a special shareholders' meeting for the purposes stated in the requisition. The Company is required to mail a notice of meeting and management information circular to registered shareholders not less than 21 days and not more than 50 days prior to the date of any annual or special shareholders' meeting. These materials also are filed with Canadian securities regulatory authorities and the United States Securities and Exchange Commission (the "SEC"). The Company's by-laws provide that a quorum of two shareholders in person or represented by proxy holding or representing by proxy not less than 10% of the Company's issued shares carrying the right to vote at the meeting is required to transact business at a shareholders' meeting. Shareholders, and their duly appointed proxies and corporate representatives, as well as the Company's auditors, are entitled to be admitted to the Company's annual and special shareholders' meetings.

Authorized Capital

The Company's authorized capital consists of an unlimited number shares of one class designated as common shares. The Company may not create any class or series of shares or make any modification to the provisions attaching to the Company's common shares without the affirmative vote of two-thirds of the votes cast by the holders of the common shares. The Company's common shares do not have pre-emptive rights to purchase additional shares.

Material Contracts

None.

Exchange Controls

Canada has no system of exchange controls. There are no Canadian restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no laws in Canada or exchange restrictions affecting the remittance of dividends, profits, interest, royalties and other payments to non-resident holders of the Company's securities, except as discussed in "Item 10: Additional Information — Taxation" below.

Restrictions on Share Ownership by Non-Canadians

There are no limitations under the laws of Canada or in the constating documents of the Company on the right of foreigners to hold or vote securities of the Company, except that the Investment Canada Act may require review and approval by the Minister of Industry (Canada) of certain acquisitions of "control" of the Company by a "non-Canadian". The threshold for acquisitions of control is generally defined as being one-third or more of the voting shares of the Company. "Non-Canadian" generally means an individual who is not a Canadian citizen, or a corporation, partnership, trust or joint venture that is ultimately controlled by non-Canadians.

Taxation

The following is a brief summary of some of the principal Canadian federal income tax consequences to a holder of common shares of the Company (a "U.S. holder") who deals at arm's length with the Company, holds the shares as capital property and who, for the purposes of the *Income Tax Act* (Canada) (the "Act") and the *Canada - United States Income Tax Convention* (the "Treaty"), is at all relevant times resident in the United States, is not and is not deemed to be resident in Canada and does not use or hold and is not deemed to use or hold the shares in carrying on a business in Canada. Special rules, which are not discussed below, may apply to a U.S. Holder which is an insurer that carries on business in Canada and elsewhere.

This summary is of a general nature only and is not, and should not be interpreted as, legal or tax advice to any particular U.S. holder and no representation is made with respect to the Canadian income tax consequences to any particular person. Accordingly, U.S. holders are advised to consult their own tax advisors with respect to their particular circumstances.

Under the Act and the Treaty, a U.S. holder of common shares will generally be subject to a 15% withholding tax on dividends paid or credited or deemed by the Act to have been paid or credited on such shares. The withholding tax rate is 5% where the U.S. holder is a corporation that beneficially owns at least 10% of the voting shares of the Company and the dividends may be exempt from such withholding in the case of some U.S. holders such as qualifying pension funds and charities.

In general, a U.S. holder will not be subject to Canadian income tax on capital gains arising on the disposition of shares of the Company unless (i) at any time in the five-year period immediately preceding the disposition, 25% or more of the shares of any class or series of the capital stock of the Company was owned by (or was under option of or subject to an interest of) the U.S. holder or persons with whom the U.S. holder did not deal at arm's length, and (ii) the value of the common shares of the Company at the time of the disposition derives principally from real property (as defined in the Treaty) situated in Canada. For this purpose, the Treaty defines real property situated in Canada to include rights to explore for or exploit mineral deposits and other natural resources situated in Canada, rights to amounts computed by reference to the amount or value of production from such resources, certain other rights in respect of natural resources situated in Canada and shares of a corporation the value of whose shares is derived principally from real property situated in Canada.

The payment by the Company of principal, or interest on the principal, of the Convertible Debentures to holders who deal at arm's length with the Company within the meaning of the Act is exempt from Canadian withholding tax.

Documents on Display

The Company's Annual Report 2002 and Notice of Annual Meeting of Shareholders and Management Information Circular dated April 23, 2003, which are exhibits to this Form 20-F, are available at the Company's executive and registered office.

The Company's filings with the SEC, including exhibits and schedules filed with this Annual Report, may be reviewed at the SEC's public reference facilities in Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such materials may be obtained from the Public Reference Section of the SEC, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Further information on the public reference rooms may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. Agnico-Eagle began to file electronically with the SEC in August 2002.

Any reports, statements or other information that the Company files with the SEC may be read at the addresses indicated above and some of them may also be accessed electronically at the web site set forth above. These SEC filings are also available to the public from commercial document retrieval services.

The Company also files reports, statements and other information with the Canadian Securities Administrators and these can be accessed electronically at the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval web site at (http://www.sedar.com).

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Agnico-Eagle is exposed to market risk, including changes in commodity prices, currency exchange rates and interest rates. See Note 9 to the consolidated financial statements on pages 55 to 57 of Exhibit 99C to this Form 20-F for quantitative information about the Company's hedge positions with respect to these market risk categories. As well, please refer to pages 31 and 32 of Exhibit 99C to this Form 20-F for a discussion of the Company's policies to mitigate these risks under the caption "Management's Discussion and Analysis of the Company's Operations and Financial Condition — Risk Profile".

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Pursuant to the instructions to Item 12 of Form 20-F, this information is inapplicable and has not been provided.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None / not applicable

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None / not applicable

ITEM 15. CONTROLS AND PROCEDURES

Based on their evaluation of the Company's controls and procedures completed on May 1, 2003, Sean Boyd, President and Chief

Executive Officer and David Garofalo, Vice-President, Finance and Chief Financial Officer have concluded that the Company's controls and procedures (as defined in Rule 13a-15 and Rule 15d-15 of the *Securities Exchange Act of 1934*) are adequate and effective in ensuring the accuracy and integrity of the information provided herein. There have not been any significant changes made in the Company's internal controls and procedures or in other factors that could significantly affect these controls nor have any corrective actions been taken with regard to any significant deficiencies or material weaknesses.

ITEM 16. RESERVED

ITEM 17. RESERVED

ITEM 18. FINANCIAL STATEMENTS

Pursuant to General Instruction E(c) of Form 20-F, the registrant has elected to provide the financial statements and related information specified in Item 18.

PART III

ITEM 19. FINANCIAL STATEMENTS

The following auditors' report and consolidated financial statements set forth in Exhibit 99C are incorporated herein by reference:

	Exhibit 99C Page Number
Auditors' Report	38
Consolidated Balance Sheets as at December 31, 2002 and 2001	43
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the years ended December 31, 2002, 2001 and 2000	44
Consolidated Statements of Shareholders' Equity for the years ended December 31, 2002, 2001 and 2000	45
Consolidated Statements of Cash Flows for the years ended December 31, 2002, 2001 and 2000	46
Notes to Consolidated Financial Statements	47

ITEM 20. EXHIBITS

Financial Statements. The consolidated financial statements under Item 18 herein are filed as part of this annual report.

Exhibits and Exhibit Index. The following Exhibits are filed as part of this annual report and incorporated herein by reference to the extent applicable.

Exhibit Index

Exhibit No.	Description	Sequential Page Number
A	2002 Annual Report	*
B	Notice of Annual Meeting of Shareholders and Management Information Circular dated April 23, 2003	*
28	Consent of Independent Chartered Accountants	45
99A	Certification pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act* of 2002 (Sean Boyd)	46
99B	Certification pursuant to Title 18, United States Code, Section 1350 as adopted pursuant to Section 906 of the *Sarbanes-Oxley Act* of 2002 (David Garofalo)	47

*Such exhibits and other information filed by the Company with the Securities and Exchange Commission are available to shareholders upon request at the SEC's public reference section or may be inspected and copied at prescribed rates at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, U.S.A.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Toronto, Canada
May 1, 2003

AGNICO-EAGLE MINES LIMITED

by /s/ DAVID GAROFALO

David Garofalo, Vice-President, Finance and
Chief Financial Officer

CERTIFICATION

I, Sean Boyd, President and Chief Executive Officer of Agnico-Eagle Mines Limited ("Agnico-Eagle"), certify that:

1. I have reviewed this annual report on Form 20-F of Agnico-Eagle;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of Agnico-Eagle as of, and for, the periods presented in this annual report;

4. David Garofalo, Vice-President, Finance and Chief Financial Officer of Agnico-Eagle and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for Agnico-Eagle and have:

   (a) designed such disclosure controls and procedures to ensure that material information relating to Agnico-Eagle, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   (b) evaluated in the effectiveness of Agnico-Eagle's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   (c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. Mr. Garofalo and I have disclosed, based on our most recent evaluation, to Agnico-Eagle's auditors and the audit committee of Agnico-Eagle's board of directors (or persons performing the equivalent function):

   (a) all significant deficiencies in the design or operation of internal controls which could adversely affect Agnico-Eagle's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. Mr. Garofalo and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

by: /s/ SEAN BOYD

Toronto, Canada,
May 1, 2003

Sean Boyd
President and Chief Executive Officer

CERTIFICATION

I, David Garofalo, Vice-President, Finance and Chief Financial Officer of Agnico-Eagle Mines Limited ("Agnico-Eagle"), certify that:

1. I have reviewed this annual report on Form 20-F of Agnico-Eagle;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of Agnico-Eagle as of, and for, the periods presented in this annual report;

4. Sean Boyd, President and Chief Executive Officer of Agnico-Eagle and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for Agnico-Eagle and have:

   (a) designed such disclosure controls and procedures to ensure that material information relating to Agnico-Eagle, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   (b) evaluated in the effectiveness of Agnico-Eagle's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   (c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. Mr. Boyd and I have disclosed, based on our most recent evaluation, to Agnico-Eagle's auditors and the audit committee of Agnico-Eagle's board of directors (or persons performing the equivalent function):

   (a) all significant deficiencies in the design or operation of internal controls which could adversely affect Agnico-Eagle's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

---

6. Mr. Boyd and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

by: /s/ DAVID GAROFALO

Toronto, Canada,
May 1, 2003

David Garofalo
Vice-President, Finance and Chief Financial Officer

Exhibit 28

CONSENT OF INDEPENDENT CHARTERED ACCOUNTANTS

We consent to the incorporation by reference in this Annual Report on Form 20-F of Agnico-Eagle Mines Limited of our report dated February 18, 2003, with respect to the consolidated financial statements of Agnico-Eagle Mines Limited included in the 2002 Annual Report to Shareholders of Agnico-Eagle Mines Limited.

/s/ ERNST & YOUNG LLP

Ernst & Young LLP
Chartered Accountants

Toronto, Canada,
February 18, 2003

Exhibit 99A

Certification of Chief Executive Officer pursuant to
Title 18, United States Code, Section 1350, as adopted pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

I, Sean Boyd, President and Chief Executive Officer of Agnico-Eagle Mines Limited ("Agnico-Eagle"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. The Annual Report on Form 20-F of Agnico-Eagle for the year ended December 31, 2002 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Agnico-Eagle.

by: /s/ SEAN BOYD

Sean Boyd
President and Chief Executive Officer

Toronto, Canada,
May 1, 2003

A signed original of this written statement required by Section 906 has been provided to Agnico-Eagle and will be retained by Agnico-Eagle and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99B

Certification of Chief Executive Officer pursuant to
Title 18, United States Code, Section 1350, as adopted pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

I, David Garofalo, Vice-President, Finance and Chief Financial Officer of Agnico-Eagle Mines Limited ("Agnico-Eagle"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. The Annual Report on Form 20-F of Agnico-Eagle for the year ended December 31, 2002 (the "Report") fully complies with the

requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Agnico-Eagle.

by: /s/ DAVID GAROFALO

Toronto, Canada,
May 1, 2003

David Garofalo
Vice-President, Finance and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Agnico-Eagle and will be retained by Agnico-Eagle and furnished to the Securities and Exchange Commission or its staff upon request.

QuickLinks

5 TRUTHS
OUR FRAMEWORK FOR SUCCESS

P R O F I L E

O P E R A T I O N S

AGNICO-EAGLE MINES LIMITED IS A LEADING INTERMEDIATE-SIZED GOLD PRODUCER CENTERED IN ONE OF FRIENDLIEST AND POLITICALLY RISK-FREE AREAS OF THE WORLD:
QUEBEC.
THE COMPANY DOES NOT HEDGE GOLD PRODUCTION - AND NEVER HAS IN ITS 30-YEAR HISTORY. OUR SHAREHOLDERS BENEFIT FROM PRICE INCREASES AND WE INSURE AGAINST THE DOWNSIDE RISK WITH GROWTH AND LOW-COST PRODUCTION.

WE PRODUCED 260,000 OUNCES OF GOLD IN 2002 AND ARE ON TRACK TO INCREASE

THAT IN 2003 AND 2004, FOLLOWING OUR LARONDE MINE'S EXPANSION.

WITH RESERVES AND RESOURCES TOTALING 5.1 MILLION OUNCES AND ADDITIONAL INFERRED RESOURCES OF 5.2 MILLION OUNCES - ALL IN LARONDE'S BACKYARD IN QUEBEC - WE HAVE PLENTY OF OPPORTUNITIES TO CONTINUE THIS GROWTH.

AGNICO-EAGLE'S SHARES TRADE VERY ACTIVELY ON THE TORONTO STOCK EXCHANGE (SYMBOL AGE). OUR SHARES ARE HELD 60% BY INDIVIDUALS AND 40% INSTITUTIONS, AND MOSTLY IN NORTH AMERICA.

[GRAPHIC] [GRAPHIC] [GRAPHIC]

C O N T E N T S

F R O N T C O V E R

A MINER'S LUNCH PAIL AWAITS THE NEXT SHIFT AT THE LARONDE MINE ON THE PROLIFIC CADILLAC-BOUSQUET GOLD BELT IN QUEBEC. ANOTHER GOLD DEPOSIT HAS JUST BEEN DISCOVERED -LAPA - ON AGNICO'S PROPERTY, WHICH SPANS NEARLY 20 MILES OF THE BELT.

FELLOW SHAREHOLDERS,

This is an exciting time for Agnico-Eagle. We are ideally positioned to benefit from our increasing gold production in mining-friendly northwestern Quebec, thanks to the growth of our mining operations.

H I G H L I G H T S F O R 2 0 0 2

o INCREASED GOLD PRODUCTION 11%
o EXPANDED TONNAGE THROUGHPUT 40%
o $150 MILLION CASH
o DISCOVERED HIGH-GRADE LAPA GOLD DEPOSIT
o INCREASED RESERVES AND RESOURCES 23%

There are several reasons for optimism. Our LaRonde mine is now the largest gold deposit in Canada with excellent exploration potential to grow even further; our cost of producing gold is expected to continue to decrease; and we have an unparalleled land position around the mine and along the Cadillac-Bousquet gold belt.

In 2002, we completed an expansion of LaRonde that produced record amounts of gold and gold reserves. As a result of this and better gold prices, the Company enjoyed significantly improved net earnings of $4 million (compared to a loss of $5 million in 2001) and an $8 million improvement in cash flow.

While we have had our share of teething problems with this 40% expansion even into 2003,today Agnico-Eagle is perfectly positioned to profit from what we expect to be higher gold prices in a long-term bull market. As the US dollar continues to drift lower and equity markets remain volatile, investors
- and even central bankers - are looking for safety and that search

**WHILE OUR PEERS EMPHASIZE QUALITY AND GROWTH,
WE ALSO DELIVER A THIRD COMPONENT:
THE STABILITY OF MINING-FRIENDLY QUEBEC.**

has led them away from the risks of paper currency into the security of gold and gold stocks. We expect that this trend will not only continue but also gain momentum in the coming years. As this demand for gold and gold stocks rises, Agnico-Eagle stands to be a major beneficiary.

We are one of the few mining companies that never sold our gold forward so we've never capped the price we receive for it. Instead, our insurance against low prices is growth and low-cost production so we can generate earnings and cash flow even when gold is in a down cycle.

After years of developing the people and infrastructure at LaRonde, all the necessary tools are in place for Agnico-Eagle to produce yet more gold. In the short term, our efforts will concentrate on getting the recent expansion working more efficiently and this will continue our trend of record production through 2003 and 2004. However, LaRonde represents only one chapter of the Agnico-Eagle story. With our eyes firmly focused on the future, we are aggressively moving forward on two very promising properties - Lapa and Goldex. These regional opportunities are close to LaRonde, making them perfectly suited to capitalize on both the expertise of the LaRonde team and the mine's large processing capacity. Moreover, these projects would make the most effective use of the Company's large pool of available tax deductions.

WE HAVE SET OUT TO BUILD A COMPANY THAT FOCUSES ON QUALITY, GROWTH AND A STRONG FINANCIAL POSITION, WHILE RETAINING FULL LEVERAGE TO GOLD PRICES. THROUGH HARD WORK AND THAT FOCUSED STRATEGY, THESE GOALS ARE BEING REALIZED.

Our regional growth strategy is relatively low risk,using existing resources in our own stable backyard. Part of this low risk is confirmed by the Fraser Institute in a survey published in December, which identified Quebec as one of the two most attractive areas in the world for mining, based on mineral potential and acceptance of the industry.

This strategic regional focus gives Agnico-Eagle tremendous potential to realize our objective of becoming the predominant mid-sized gold company. Our plan envisions multiple mines within striking distance of LaRonde, with growing reserves and increasing production in one area of the world that welcomes responsible mining. While our peers emphasize quality and growth, we also deliver a third component: the stability of mining-friendly Quebec.

While regional expansion represents the core of our strategy, we persist in seeking opportunities for growth elsewhere. This search for new opportunities is restricted to politically stable regions and is focused on situations where our expertise can add value. With our proven exploration, mine building and operating expertise, we are ideally situated to discover and run other properties.

The theme for this year's annual report explains in detail how all the major pieces of our strategy are falling into place. These five basic truths form the framework for our success. They explain how we've developed a competitive advantage in the industry and why Agnico-Eagle is right on target to build further value:

1.UNHEDGED We have never sold gold forward or capped its price, so we always benefit when the price rises.

2.WORLD CLASS OREBODY The LaRonde Mine is a proven gold producer with a long-life gold reserve.

3.GROWTH Our dominant position on the Cadillac-Bousquet gold belt and our aggressive exploration program in the region provide strong potential for growth.

4.EXPERIENCE Over the past 30 years, we've built a highly efficient team of mining experts whose skills enable us to transform opportunity into profit.

5.STRONG BALANCE SHEET Our financial position has never been stronger. With zero net debt, which includes more than $150 million in cash at the end of 2002, we're primed for growth.

Not only are we positioned to continue our record of 23 consecutive annual dividends, we hope to increase dividends as our assets grow.

We firmly believe that the price of gold will rise in the long term, but it's the effectiveness of our regional strategy creating growth that will drive our success, not just the gold price.

We have set out to build a company that focuses on quality, growth and a strong financial position, while retaining full leverage to gold prices. Through hard work and that focused strategy, these goals are being realized.

It is the hard work of our teams that enable us to maximize the potential of our assets and realize our goals. These people with their strong mine building and operating skills, as well as their exploration expertise allow us to develop new opportunities.

Now all the signs point to an even better future. With rising production, lower costs and exciting new growth potential, Agnico-Eagle is poised for greater profitability.

[PHOTO]

/s/ SEAN BOYD

Sean Boyd
President and Chief Executive Officer

THE FIVE TRUTHS

1. [PHOTO]

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UNHEDGED
NO COMPROMISE

WE DO NOT LIMIT GOLD'S UPSIDE VALUE BY SELLING IT FORWARD. INSTEAD, WE HEDGE THE DOWNSIDE RISK WITH GROWTH AND LOW COSTS.

[PHOTO]

With LaRonde at the center of our regional strategy, the mill has the capacity to process additional ore and concentrate feed.

O P E R A T I O N S

Production at our LaRonde Mine in Quebec

increased 190% in four years and more growth is planned for 2003 and 2004.

o 40% CAPACITY INCREASE TO 7,000 TONS PER DAY IN OCTOBER
o RECORD GOLD PRODUCTION OF 260,000 OUNCES
o RECORD THROUGHPUT OF 2 MILLION TONS

The year 2002 saw record gold production of 260,000 ounces as our expanded operation moved toward being an efficient low-cost enterprise in what we can now proudly identify as the largest gold deposit in Canada. Capacity in the mill and mine were increased by 40% to 7,000 tons per day in October.

Shortly, we expect to complete the expansion's underground development and infrastructure above the 215 Level, 2,150 m or 7,050 feet below surface. Then we will have access to more higher-grade gold on the mine's lower levels. More tons in 2003 and 2004 mean that we will continue our trend of record breaking gold production.

Our task is now to maximize the expansion in tandem with the search for new gold resources within striking distance of LaRonde. We have two excellent prospects: Lapa, 7 miles away, and Goldex, 28 miles beyond.

There were disappointments as well as records in 2002.Production and costs did not meet our expectations because of access to fewer gold/copper mining blocks at depth than we expected. A mechanical failure and excessive summer heat affecting productivity in the deeper - and therefore hotter - levels caused delays in developing high-grade production areas. Development delays also caused us to miss our original 2003 targets when in March we did not quickly recover from a rock fall in one of the high-grade stoping areas. Normally, other stopes would have been ready for immediate mining while the affected area was being stabilized.

Despite these setbacks, significant operational improvements were realized in 2002. Our operating experience to date has demonstrated that in the critical areas of ore grade, metallurgical recoveries, and processing and hoisting capacity, we have met or exceeded all our expectations.

R E G I O N A L D E V E L O P M E N T S T R A T E G Y

Though LaRonde is at the heart of our current and future plans, it represents only one part of Agnico-Eagle's regional strategy. As we near the end of the expansion phase, we are looking at the operating team and LaRonde's processing facilities being at the center of a regional development plan.

We are currently analyzing the drill data from our Lapa property, and are examining the feasibility of developing the Goldex project. We are encouraged about the prospects for these two properties. Lapa was discovered and achieved significant exploration success in 2002. Both will benefit from the synergies created by this complementary multi-site mining operation, making efficient use of our investment at LaRonde.

2. [PHOTO]

A LONG-LIFE
OREBODY
AND STILL GROWING

LARONDE IS THE LARGEST GOLD DEPOSIT
TODAY IN CANADA AND HAS ALREADY BEEN
IN PRODUCTION 15 YEARS.

PAGE (11)

[PHOTO]

Newly converted reserves are being developed for mining. Development has the highest priority, with crews now gaining footage not achieved in 2002.

G O L D R E S E R V E S A N D R E S O U R C E S

Drilling at LaRonde increased
gold reserves by 23%.

o DRILLING AT LARONDE CONVERTED 1.0 MILLION OUNCES TO RESERVES
o CONFIRMED 1.0 MILLION OUNCES OF INDICATED RESOURCES AND 0.4 MILLION OUNCES OF INFERRED RESOURCES AT GOLDEX
o ESTABLISHED 0.8 MILLION OUNCES OF INFERRED RESOURCES AT LAPA

The year 2002 proved to be a record year for LaRonde in another respect. The Company's drilling program successfully converted one million ounces of resources to reserves, pushing our current reserve position to an all-time high of 4.0 million ounces.That represents a 23% increase over the 3.3 million ounces recorded in 2001. When added to the inferred resources of 4.1 million ounces, it confirms LaRonde as the largest gold deposit in Canada and it has considerable potential for growth.

With the improving access to LaRonde's deeper mineralized zones and our aggressive underground exploration efforts, we are getting closer to discovering just how big the deposit really is.

We know there's more gold to be discovered, the ore limits have not been found in several directions and there may be more zones waiting to be discovered. Our exploration focus is currently on deep exploration drilling in the main deposit that we call Zone 20 North. It is wide open below the 215 Level, with known thicker mineralization and strong indications of better grades of gold. Recent drilling has defined the eastern limit of the zone, however it remains open for further expansion to the west and at depth. In 2003, we continue to drill in both directions.

E V E N D E E P E R AT L A R O N D E

The drill data gathered from the 215 Level will be extremely important to assess our deep mining options below that level, so we have accelerated the extension of the drift by adding more development crews.

The resources below the bottom of the current shaft at 7,400 feet open up several options to expand the deep development of the mine and several scenarios are being evaluated. Those include rehabilitating shaft No.1 which is not currently being used,sinking a new shaft to a depth of 10,000 feet, and a variety of shaft/ramp combinations. A scoping study of the deep deposit is underway and we expect to outline the results at our annual general meeting in June.

In 1991, we started to explore LaRonde from the Level 86 exploration drift and from that starting point a dozen years ago, we have successfully maintained our average cost of finding each new ounce of gold at less than $3.

L A R O N D E M A J O R O R E Z O N E S

[PHOTO]

L A R O N D E M I N E 2 0 0 2 M I N E R A L R E S E R V E S

A N D R E S O U R C E S

Category	Gold (oz./ton)	Gold (g/tonne)	Silver (oz./ton)	Silver (g/tonne)	Copper (%)	Zinc (%)	Tons (000s)	Tonnes (000s)	Gold (000s oz.)
Proven reserves	0.08	2.7	2.85	97.6	0.39	4.95	7,972	7,232	624
Probable reserves	0.10	3.5	1.84	63.2	0.37	2.93	33,720	30,591	3,398
Indicated resources	0.11	3.9	0.43	14.9	0.17	0.55	648	588	75
Total reserves and indicated resources	0.10	3.3	2.01	68.9	0.37	3.27	42,340	38,411	4,097
Total inferred resources	0.17	5.9	0.38	13.0	0.33	0.08	23,030	20,893	3,978

1 Long term assumptions used in these estimates are: gold, $300/oz.; silver $5.00/oz.; zinc $0.50/lb.; and a US/Canadian dollar exchange rate of C$1.50. Further notes to the Reserves and Resources tables can be found on page 58.

G O L D E X   D E P O S I T

[GRAPHIC]

G O L D E X   P R O P E R T Y   R E S O U R C E S

	Gold (oz/t)	Tons (000s)	Ounces (000s)
Indicated resources	0.073	13,700	1,000
Inferred resources	0.076	5,600	420

L A P A   D E P O S I T

[GRAPHIC]

L A P A   P R O P E R T Y   R E S O U R C E S

	Gold (oz/t)	Tons (000s)	Ounces (000s)
Inferred resources	0.25	3,271	816

INFERRED RESOURCES

2 0 0 2 G L O B A L G O L D R E S E R V E S A N D R E S O U R C E S

	LaRonde (000s)	Lapa (000s)	Goldex (000s)	Ellison (000s)	Total (000s)
Total gold reserves and indicated resources	4,097	-	997	41	5,135
Total gold inferred resources	3,978	816	423	106	5,323

1 Long term assumptions used in these estimates are: gold, $300/oz.; silver $5.00/oz.; zinc $0.50/lb.; and a US/Canadian dollar exchange rate of C$1.50. Further notes to the Reserves and Resources tables can be found on page 58.

3. [PHOTO]

Drill core from Lapa awaits splitting and assaying. Our widest intercept returned 99 feet at 0.26 ounces of gold per ton, 3,000 feet below surface.

GROWTH
A REGIONAL EMPHASIS

LARONDE IS LOCATED ON QUEBEC'S PROLIFIC CADILLAC-BOUSQUET GOLD BELT WHERE A HIGH-GRADE DEPOSIT - LAPA - HAS JUST BEEN DISCOVERED. WE CONTROL A 20-MILE STRETCH OF PROPERTY ON THE BELT AND ARE ACTIVELY EXPLORING AND ACQUIRING ADDITIONAL PROPERTIES IN THE REGION.

E X P L O R A T I O N

The old saying that the best place to find a mine is in the shadow of a headframe is proving correct with Lapa and Goldex.

SIGNIFICANT HIGH-GRADE GOLD DISCOVERY AT LAPA
o INFERRED RESOURCES 816,000 OUNCES
o DEPOSIT OPEN IN SEVERAL DIRECTIONS
o EXCITING RESULTS FROM DEEP DRILL HOLE

PREVIOUS EXPLORATION SUCCESS AT GOLDEX
o POTENTIAL REGIONAL SYNERGIES AND DOUBLING THROUGHPUT
o DEPOSIT OPEN IN A NUMBER OF AREAS

In the rocky terrain that lies between the northwestern Quebec towns of Val d'Or and Rouyn, Agnico-Eagle has enjoyed 20 fruitful years of mineral exploration and discovery on the Cadillac-Bousquet gold belt. Along the nearly 20 miles of our dominant land position in this gold-rich region, we have enjoyed record gold production and the promise of the future looks even brighter.

We believe in the old mining expression that the best place to find a mine is in the shadow of an existing headframe (there are three headframes on the LaRonde property alone and dozens along the belt), so that's where we started. Over the past years we have been slowly acquiring properties in the area. In 2002, Agnico-Eagle's position became even larger, and we continue the process in 2003.

Our exploration efforts in 2002 uncovered a new gold deposit on an adjacent property we acquired that year:Lapa. And we revisited an old exploration property we had moved away from, this time thinking big rather than small, and thinking regional synergies. This is Goldex. Both are within a few miles of LaRonde, which is poised to become the heart of our regional development strategy.

L A P A, A 2 0 0 2 D I S C O V E R Y

Only seven miles east of LaRonde, we started to drill at our Lapa property in November 2002 and that drilling paid off. The drilling identified a whole new high-grade contact zone that extends the previously identified mineralization and established an inferred resource of 816,000 ounces after only four months drilling.

Sixteen holes have been drilled in the Lapa Contact Zone and 11 of them intersected significant grades, partly defining the mineralized zone. That drilling not only confirmed the high gold concentration, but also that the Contact Zone is open at depth and to the east.

Most of the mineralized drill holes contained visible gold and averaged about 15 feet width grading an average of about 0.25 oz/ton. The excitement is in the thickest intercept drilled to date, 3,000 feet below surface, a 99-foot width of mineralization at an average grade of 0.26 oz/ton.

Recent drilling has focused on extending the Contact Zone. To date, the zone has been traced over a length of 1,600 feet and to a vertical depth of 3,800 feet, and there are another 1.6 miles on surface of favorable ground still waiting to be explored.

The next $2.5 million phase of drilling began in March 2003 and will continue for the remainder of the year, currently with five drills. The program's key objectives are:

o Infill drilling on 150-foot centers to prove up resources
o Deep drilling to test the down-dip extension of the deposit
o Step-out drilling to test the eastern extent of the Contact Zone
o Larger-core drilling to supply material for metallurgical testing.

In a short time, Lapa has become an integral part of Agnico-Eagle's regional development and production strategy. We are aggressively working to find out the size of the deposit. It is an exciting project with the potential to add significant production and value.

U P D A T E D F E A S I B I L I T Y S T U D Y
U N D E R W A Y A T G O L D E X

Previous drilling and underground exploration at the Goldex project, 35 miles east of LaRonde on the outskirts of Val d'Or, established a gold deposit of 1.0 million ounces of indicated and 400,000 ounces of inferred resources. The mineralization is open in several areas. Agnico-Eagle owns 100% of this property and we're extremely encouraged by its prospects.

In 1996, an underground bulk sample confirmed the accuracy of the gold grade calculated from exploration drilling and it established the LaRonde mill's capability to process the ore. At the time, the property was marginally economic. Now we are re-evaluating the deposit to capitalize on new regional advantages that did not exist seven years ago and we are updating the feasibility study.

The 1996 assessment was based on a 5,000-ton-per-day mine and a stand-alone operation without the benefit of LaRonde's expanded infrastructure. Our updated study will be based on bulk mining at a projected 10,000-ton-per-day rate and will take into account the new synergies that come into play with LaRonde.

Goldex could also benefit from surplus equipment available at LaRonde. None of these options was available during the previous feasibility study in 1996.

Adding size to synergies, Goldex now will be more cost effective, with potentially lower capital, labor and ongoing development costs than previously estimated.

With potential expansion on the horizon at Lapa and Goldex, along with the deep development project at LaRonde, we are determined to make the best use of our two strongest assets: our highly skilled people and our efficient infrastructure, both of which are already in place, in northwestern Quebec's valley of gold.

A G N I C O - E A G L E ' S L A N D P O S I T I O N O N T H E C A D I L L A C - B O U S Q U E T B E L T

[PHOTO]

THE FIVE TRUTHS

4. [PHOTO]

These are some members of the LaRonde team.
In LaRonde's 15-year life the average service is an exceptionally high 12 years.

EXPERIENCE
COMES WITH AGE

WE HAVE MINED FOR 30 YEARS,
INCLUDING 15 YEARS AT LARONDE -
AND PEOPLE STAY. OUR TRACK RECORD IS
ONE THAT FEW COMPANIES CAN MATCH.

O U R T E A M

We operate as a partnership, a partnership that is based on mutual respect.

Agnico-Eagle's corporate culture is based on the principle that every person has the right to be treated with dignity and respect. We operate as a partnership, a partnership that is based on mutual respect, commitment and dedication to excellence. The people of Agnico-Eagle have responded with unparalleled loyalty and performance. Thanks to their ideas and efforts, efficiency has improved, gold production has progressively increased and safety is one of our proudest records.

The 500 experienced and highly skilled people at the LaRonde mine are the foundation for Agnico-Eagle's success. That applies equally to the miner extracting ore thousands of feet underground and to the administrator coordinating shipping schedules on surface. The success of our approach is reflected in the fact that we are an industry leader in recruiting and retaining talented people.

Many people have been with us since LaRonde commenced production 15 years ago and many from before that. The management team at LaRonde has been with Agnico-Eagle an average of ten years and the workforce as a whole, twelve years. This longevity is no accident. They have displayed their loyalty to the Company and the Company has responded in kind.

We are dedicated to the highest standards of health and safety at our mine site and have been rated as one of the safest of the many mines in Quebec for the last ten years running. We take great pride in our proactive safety program that prepares people for any eventuality and operates 24 hours a day, 7 days a week. The 24 volunteers who make up our first-rate mine rescue team embody the idea that our people are always watching out for each other - and for people in other mines, too. The team has also made us proud by finishing in the top five at the annual Quebec mine rescue competition in the last five years.

Agnico-Eagle's commitment to the well being of the people at LaRonde extends to four full-time health and safety workers, our full-time nurse and the financial support we give to the full-service hospital in the town of Rouyn, a few miles away.

We encourage and support the people at LaRonde by providing quality learning and development opportunities that will enable them to be the best in all areas of their work. Their expertise in sound mining practices and their knowledge of the industry's state-of-the-art equipment and processes did not happen by accident. Agnico-Eagle invests more than C$500,000 each year in on-site training programs that are administered by three full-time training staff.

We believe in the strength of the family unit,so as an added benefit we offer C$1,000 scholarships for sons and daughters who enter post secondary education. During LaRonde's operating history, over 500 of our employees' children have obtained post secondary diplomas or degrees. We also offer summer jobs at the mine for qualified students to provide further educational assistance.

[PHOTO]

LaRonde's highly skilled people are the foundation for our success.

Our incentive programs established the idea that when the Company wins, we all win. We reward excellence with regular productivity bonuses in certain areas and everyone is invited to sign up for our Company subsidized stock purchase plan. Approximately 9 of every 10 employees are members of the plan, demonstrating that they are confident about the Company's future.

These programs underscore the partnership that drives the success of Agnico-Eagle. We value the people who work with us. This partnership is a major reason why LaRonde is the progressive and efficient operation that it is today.

E N V I R O N M E N T A L A C C O U N T A B I L I T Y

Caring for the environment is a cornerstone of being a good corporate citizen. We subscribe to the principle of sustainable development in mining, and while mining will clearly have an effect on its immediate surroundings, we focus on limiting negative impacts while enhancing positive ones.

The mineral-rich Cadillac-Bousquet gold belt has shared its treasures with us and it is our responsibility to look after its ecosystem - we live here, too. We conduct all mining operations using environmental best practices and meet or exceed every environmental regulation that affects our exploration, mining and milling operations.

We continually monitor environmental impact at every stage of our processes. Our dedicated environmental department at the LaRonde mine site is supported by a vice president responsible solely for the environment. Our priorities are to continually improve environmental conditions and processes at LaRonde and to proactively rehabilitate inactive properties we have subsequently acquired.

As part of our commitment to the environment Agnico-Eagle has provided a C$150,000 grant to the area's top-ranked university, UNIVERSITE DU QUEBEC EN ABITIBI-TEMISCAMINGUE to set up a chair in environmental studies.

Our commitment goes beyond the areas where we work. Agnico-Eagle is a major contributor to mining education by supporting industry-wide initiatives. For example, we are a founding partner of E3 - Environmental Education in Exploration -providing tools for the application of exploration best practices worldwide.

G I V I N G B A C K T O O U R C O M M U N I T Y

We are one of the largest employers in the area where LaRonde sits, midway between the towns of Rouyn to the west and Val d'Or to the east. This is our home and we are committed to making it the best community it can be by supporting local initiatives and organizations that build the health, strength and cultural diversity of the area.

Our community commitments are as varied as the residents themselves, including funding to the hospitals in Rouyn, Amos and Val d'Or, as well as grants for the Val d'Or major junior-league hockey team, the FOREURS, and Rouyn's hockey team, the HUSKIES.

More than simply good neighbors, Agnico-Eagle is an active member in all the local chambers of commerce in the Abitibi region, and we are a regular contributor to several local charities. Whether it is helping the local hospital or helping the local hockey team, we want to be part of the solution. We are proud to contribute to the local economy as a major employer, and as you can see that is only part of the story.

What we are truly grateful for is the opportunity to help the people at LaRonde build the social, cultural and educational framework that makes our community unique.

5. ROCK-HARD

STRENGTH
INCLUDES A STRONG
BALANCE SHEET

F I N A N C I A L C O N T E N T

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

FORWARD-LOOKING STATEMENTS

This annual report contains certain "forward-looking statements" (within the meaning of the United States Private Securities Litigation Reform Act of 1995) that involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements. Risks and uncertainties are disclosed under the heading "Risk Factors" in the Company's Annual Information Form filed with Canadian securities regulators and in Form 20-F filed with the United States Securities and Exchange Commission.

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements. All figures presented are in US dollars unless otherwise noted.

CHANGE TO US GAAP

Effective January 1, 2002, the Company changed its primary basis of financial reporting to United States generally accepted accounting principles ("US GAAP") due to its substantial US shareholder base and to maintain comparability with other gold mining companies. Financial statements under Canadian generally accepted accounting principles will continue to be prepared for statutory reporting purposes.

RESULTS OF OPERATIONS

The year ended December 31, 2002 saw Agnico-Eagle achieve a number of significant milestones:

o RECORD ANNUAL GOLD PRODUCTION of 260,183 ounces representing an 11% increase over 2001 and a 50% increase over 2000.
o IMPROVED OPERATING PERFORMANCE with the 40% capacity expansion of the mine and mill to 7,000 tons of ore treated per day in the fourth quarter.
o IMPROVED FINANCIAL PERFORMANCE as record gold production and full leverage to an improved gold price resulted in net income of $0.06 per share.
o BEST FINANCIAL POSITION IN COMPANY HISTORY with available cash resources of nearly $253 million at the end of 2002 with no "net debt" as discussed below under "Liquidity and Capital Resources."

For the year ended December 31, 2002, net income was $4.0 million, or $0.06 per share. This represents a significant improvement from a loss of $5.7 million, or $0.09 per share in 2001, and a loss of $6.9 million, or $0.12 per share, in 2000. The table below summarizes the major variances which contributed to the overall increase in net income in 2002, as compared to 2001, and 2001, as compared to 2000.

NET INCOME VARIANCE ANALYSIS

	2002 vs. 2001	2001 vs. 2000
Net Loss,Years Ended December 31,2001 and 2000	$ (5,718)	$ (6,868)
Increase in gold production	6,913	16,960
Increase (decrease) in gold price	10,147	(1,174)
Change in zinc production and zinc price	(13,770)	24,156
Change in copper production and copper price	3,627	(1,530)
Change in silver production and silver price	1,335	5,565
Net decrease (increase) in operating expenses,exploration and taxes	1,489	(42,827)
Net Income (Loss),Year Ended December 31,2002 and 2001	$ 4,023	$ (5,718)

In 2002, record production and a significant improvement in net income were achieved in spite of some expansion-related start-up difficulties. Despite record production, the Company missed its 2002 production budget of 340,000 ounces due primarily to richer grade, lower level stopes not being sufficiently developed for mining as planned. Excessive summer heat, a SAG mill failure in July delaying backfill placement, and delays in ventilation installation at depth resulted in slower than anticipated stope development limiting LaRonde's ability to mine gold/copper stopes on the lower mining levels. Attempts to accelerate development to make up lost progress resulted in congestion on the lower mining levels as construction and development conflicted with production. To maintain mill throughput, more lower-grade, zinc-rich ore was mined from the upper mining levels. As a result, zinc production was 26% higher than anticipated.

Increased El Coco royalties and a weaker zinc price contributed to increased total cash operating costs to produce an ounce of gold of $182 for 2002,a 17% increase from $155 in the previous year but a 3% improvement over $188 in 2000.

Cash flow from operations, before non-cash working capital changes, increased 64% to $20.4 million in 2002 from $12.4 million in 2001 and increased 212% from $6.5 million in 2000. This improvement in 2002 reflects increased gold production and the realization of higher gold prices resulting from the Company's long-term commitment to remain unhedged. In 2002, the Company realized an average price of $312 per ounce of gold representing increases of 14% and 12% over $273 realized in 2001 and $278 realized in 2000.

During 2002, the Company strengthened its liquidity. At December 31, 2002, the Company had available cash resources of nearly $253 million with no net debt. Available cash resources is comprised of $153 million in cash and $100 million of undrawn credit lines. The Company's strengthened liquidity represents an increase of 118% from $116 million in 2001, and a five-fold increase from $46 million in 2000. Improved liquidity is attributable to the Company's strengthening operating cash flow as well as the refinancing of its 2004 convertible notes in February 2002 and a unit offering of common shares and warrants in November 2002. In 2002, the Company made $64.8 million of capital investments comprised primarily of the expansion at LaRonde. In 2001 and 2000, $36.3 million and $68.4 million respectively were invested in the expansion.

REVENUES FROM MINING OPERATIONS

The Company derives its revenue from the sale of precious metals (gold and silver), zinc and copper net of smelting, refining and other marketing charges. Precious-metal sales accounted for approximately 87% of revenues in 2002, up from 78% in 2001 and 83% in 2000. For the year ended December 31, 2002, revenues from mining operations increased 15% over 2001 and 61% over 2000.The majority of this increase was attributable to record gold production of 260,183 ounces and higher realized gold prices. Lower zinc production and prices had a negative impact on revenues but were more than offset by the increases in gold production and price.

In the fourth quarter of 2002, LaRonde achieved its expanded rate of 7,000 tons of ore per day and produced a quarterly record 75,235 ounces of gold as the mill processed a record 540,000 tons of ore. In the fourth quarter of 2002, the mill reached peak rates of 8,000 tons of ore per day and averaged 5,846 tons of ore per day. Average daily throughput for the fourth quarter was affected by reduced ore availability due to the stope development difficulties discussed above, and a planned six-day expansion related shutdown.

2003 OUTLOOK: The Company is addressing the heat-related development issues mentioned above by completing the installation of additional cooling systems on the lower mining levels and investigating a larger cooling plant on surface. Furthermore, the Level 219 crushing plant and conveyor system (2,190 meters or 7,200 feet below surface) is expected to be completed in the second quarter of 2003 and is expected to reduce congestion and further improve ore flow on the lower levels. These improvements are expected to allow more efficient access to the higher-grade gold ore on the lower mining levels. Improved ore-flow coupled with a full year of operations at the expanded 7,000 ton per day rate is anticipated to result in increased gold production in 2003.

INTEREST AND SUNDRY INCOME

Interest and sundry income was $1.9 million in 2002 compared to $5.8 million in 2001 and $2.1 million in 2000. The 2002 amount consisted primarily of interest earned on the Company's cash balances. The 2001 amount consisted of mark-to-market gains on its derivative contracts and interest on cash balances. Effective January 1,2002,the Company implemented a new treasury management system which complies with FAS 133 documentation requirements for hedge accounting and accordingly, in 2002, mark-to-market losses on its gold put option derivative contracts were recorded in shareholders' equity as a component of accumulated other comprehensive loss. The Company's other derivative contracts do not qualify for hedge accounting under FAS 133 and as such gains and losses on these contracts are recorded in income as part of the hedged transaction.

2003 OUTLOOK: Subject to investments in potential growth opportunities, the Company anticipates a higher average cash balance in 2003 resulting in higher interest income.

PRODUCTION COSTS

In 2002, onsite operating costs per ton milled remained unchanged compared to 2001 at C$52 per ton (costs per ton are reported in Canadian dollars, the currency in which the expenditures are made). The 2002 and 2001 onsite operating cost per ton figures represent a 4% improvement over C$54 in 2000. Total cash operating costs to produce an ounce of gold increased 17% to $182 from $155 in 2001 but declined 3% compared to $188 in 2000. The increase in total cash operating costs to $182 per ounce was primarily due to higher El Coco royalties and lower zinc production and price, partially offset by the benefits of a weaker Canadian dollar. The components of total cash operating costs are presented in the table below. The table reconciles total cash operating costs per ounce to total production costs as shown on the Company's consolidated statements of income (loss).

RECONCILIATION OF COSTS PER OUNCE OF GOLD PRODUCED

(thousands,except as noted)	2002	2001	2000
Production costs per Consolidated Statements of Income (Loss)	$ 75,969	$ 67,009	$ 49,997
Adjustments:			
Revenue recognition adjustment (i)	593	(1,139)	1,139
Byproduct revenues, net of smelting, refining and marketing charges	(27,850)	(28,383)	(17,890)
El Coco royalty	(10,764)	(5,424)	--
Non-cash reclamation provision	(1,301)	(1,155)	(517)
Cash operating costs	$ 36,647	$ 30,908	$ 32,729
Gold production (ounces)	260,183	234,860	173,852
Cash operating costs (per ounce)	$ 141	$ 132	$ 188
El Coco royalty	41	23	--
Total cash operating costs (ii)	$ 182	$ 155	$ 188
Non-cash costs (per ounce)			
Reclamation provision	5	5	3
Amortization	50	54	53
Total production costs (per ounce)	$ 237	$ 214	$ 244

Notes:

(i) Under the Company's revenue recognition policy,revenue is recognized on concentrates when legal title passes. Since cash costs are calculated on a production basis, this adjustment reflects the portion of concentrate production for which revenue has not been recognized in the year.

(ii) Total cash operating cost data is prepared in accordance with The Gold Institute Production Cost Standard and is not a recognized measure under US GAAP. Adoption of the standard is voluntary and this data may not be comparable to data presented by other gold producers. Management uses this generally accepted industry measure in evaluating operating performance and believes it to be a realistic indication of such performance. The data also indicates the Company's ability to generate cash flow and operating earnings at various gold prices. This additional information should be considered together with other data prepared in accordance with US GAAP.

[GRAPHIC]

2003 OUTLOOK: The Company expects the installation of the Level 219 crushing plant and conveyor system (2,190 meters or 7,200 feet below surface) to allow more efficient access to ore from the gold/copper areas in the lower mining levels. Due to the increased availability of gold/copper ore and economies of scale expected to be achieved from the first full year of gold production at the 7,000 ton per day rate, the Company expects gold production to increase and total cash operating costs to decrease marginally in 2003. El Coco royalties are also expected to decrease in 2003 as that section of the mine is depleted.

Agnico-Eagle's total cash operating costs per ounce of gold are heavily dependent on the US dollar/Canadian dollar exchange rate and the prices it receives for its byproduct silver, zinc and copper production, all of which are beyond the Company's control. The assumptions made for 2003 are a US dollar/Canadian dollar exchange rate of $1.47,a silver price of $4.60 per ounce, a zinc price of $0.36 per pound and a copper price of $0.75 per pound.

EXPLORATION AND CORPORATE DEVELOPMENT EXPENSE
In 2002, with the expansion of LaRonde nearing completion, Agnico-Eagle increased its corporate development resources to identify growth opportunities. In 2002, exploration and corporate development expense was $3.8 million. Of this amount, $3.5 million related to grassroots exploration and $0.3 million related to corporate development. Exploration expenses were $6.4 million in 2001 and $3.2 million in 2000. The 2001 amount includes a non-cash writeoff of $2.3 million resulting from the decision to drop its ownership interest in the Tonkin Springs project in Nevada. As a result of this decision, the Company incurred a non-cash charge and made an environmental restoration payment in 2001. Excluding this write-off, exploration expense in 2002 decreased $0.6 million or 15% over 2001, and increased $0.3 million or 9% over 2000.

2003 OUTLOOK: Exploration and corporate development expense is expected to increase 10-15% in 2003. The Company is increasing its grassroots exploration activities leveraging its strong land position around the LaRonde Mine. The Company also expects increased corporate development expenses as the management team works to identify and evaluate growth opportunities.

GENERAL AND ADMINISTRATIVE EXPENSES
General and administrative expenses increased to $5.5 million in 2002 compared to $4.5 million in 2001 and $4.2 million in 2000 mainly due to increased corporate activities, including the transfer of mine personnel to head office.

2003 OUTLOOK: In 2003, general and administrative expenses are expected to remain unchanged.

PROVINCIAL AND FEDERAL CAPITAL TAXES
Provincial capital taxes were $0.8 million in 2002 compared to $1.6 million and $1.3 million in 2001 and 2000, respectively. These taxes are assessed on the Company's capitalization (paid-up capital and debt) less certain allowances. Despite the 2002 increase in paid-up capital, capital taxes decreased due to a new incentive program aimed at encouraging exploration. Under this program, the Company can claim a tax credit for certain exploration expenditures to reduce capital tax otherwise payable.

Federal capital taxes are assessed on essentially the same capitalization base as provincial capital taxes.The increase in 2002 to $0.9 million from $0.7 million in each of 2001 and 2000 represents increases in capitalization resulting from the refinancing of the Company's 2004 convertible notes and the unit offering.

2003 OUTLOOK: In 2003,the Company expects less of its exploration expenditures to qualify for the incentive program mentioned above due to a different geographic distribution of expenditures. Coupled with the 2002 increase in paid-up capital,provincial capital taxes are expected to increase to between $1.5 million and $2.0 million in 2003.

Federal capital taxes are expected to increase to between $1.2 million and $1.4 million due to increases in the Company's capitalization. Under recently proposed legislation, federal capital taxes are expected to be phased out over a five year period with the complete elimination of federal capital taxes by 2008.

AMORTIZATION EXPENSE
Amortization expense was $13.0 million in 2002 compared to $12.7 million in 2001 and $9.2 million in 2000. The Company calculates its amortization on a unit-of-production basis using proven and probable ore reserves as its amortization base. Despite an 11% increase in production and capital additions of $64.8 million, amortization remained relatively unchanged in 2002 due to a 23% increase in proven and probable reserves at year end. The increase over 2000 reflects the 2001 commissioning of assets previously under construction. Amortization was $50 per ounce in 2002 compared to $54 in 2001 and $53 in 2000.

2003 OUTLOOK: Amortization expense is expected to be $55 to $65 per ounce of gold production in 2003 as increased production and anticipated LaRonde capital expenditures of $36 million are only partially offset by increased reserves.

INTEREST EXPENSE
In 2002, interest expense decreased 43% to $7.3 million from $12.9 million in 2001 and increased 24% from $5.9 million in 2000.The decrease in 2002 over 2001 is due to the capitalization of interest on the portion of financing from the Company's revolving bank facility used to fund the LaRonde expansion.

In 2002,the Company capitalized cash interest of $2.3 million on the revolving bank facility compared to nil in 2001 and $5.9 million in 2000.

Of the $7.3 million interest expense in 2002, approximately $6.8 million related to interest on the new 2012 convertible debentures and the old 2004 convertible notes, and the remaining $0.5 million represents non-cash amortization of the financing costs associated with the 2012 convertible debentures.Of the $12.9 million interest expense in 2001, $7.5 million related to the 2004 convertible notes and $5.4 million related to the Company's revolving bank facility. No interest was capitalized in 2001.

2003 OUTLOOK: The Company does not anticipate drawing on its revolving bank facility in 2003 unless it invests in additional growth opportunities.As a result, interest expense is expected to be $8.8 million, of which $6.5 million relates to the debentures and the remaining $2.3 million is comprised of non-cash amortization of financing costs relating to the new 2012 convertible debentures and standby fees for the revolving bank facility. If the Company were to draw on its revolving bank facility in 2003,interest would be charged to income rather than being capitalized.

INCOME AND MINING TAXES
In 2002, the effective accounting recovery rate was 7.8% compared to a tax rate of 74.9% in 2001 and a recovery rate of 51.6% in 2000. Although the Company reported income before income and mining taxes of $4.6 million in 2002, the Company's tax rate was reduced from the statutory tax rate of 39.9% due to the effect of resource allowances, the utilization of previously unrecognized losses carried forward, and the accelerated recovery of provincial mining duties. The accelerated mining duty recovery was partially offset by an increase to future mining tax liabilities for the resultant decrease in development pools available for future deductions. In 2001, the Company reported a loss before income and mining taxes of $2.9 million yet recorded a tax provision of $2.1 million. The provision resulted from the Company not recognizing the benefit of deductible temporary differences in the consolidated financial statements. In 2000, the recovery rate of 51.6% was greater than the statutory tax rate due to the effect of resource allowances.

2003 OUTLOOK: The Company currently has $23 million of past losses available to reduce future income taxes. The benefit of these losses has not been recognized in the consolidated financial statements. As a result,the Company does not expect to accrue income taxes on the first $23 million of income generated in the future. Once those losses have been completely absorbed, the Company will begin to accrue non-cash deferred income taxes of approximately 30% of income before income taxes.This rate differs from the statutory tax rate of approximately 40% due primarily to rate reductions the Company is eligible to receive on resource profits.

L I Q U I D I T Y A N D C A P I T A L R E S O U R C E S

The Company's available capital resources were strengthened in 2002 as a result of the common share and warrant unit offering in November and the refinancing of its 2004 convertible notes in February. Net of financing costs and after the repayment of its 2004 convertible notes, the Company raised $16 million from the issuance of its 2012 convertible debentures. After deducting financing costs, the net proceeds of the unit offering in November were $183 million. The proceeds from these transactions were invested in short-term deposits and will be used to fund growth opportunities, capital expenditures, and other general corporate purposes.

As a result of these transactions, the Company reduced the outstanding amount under its revolving bank facility to nil leaving available cash resources of $252.9 million at the end of the year. The available cash resources are comprised of $152.9 million in cash and $100 million in undrawn credit under the revolving bank facility. An additional $25 million will become available under the revolving bank facility once certain completion tests are satisfied in connection with the LaRonde expansion. The completion tests are expected to be satisfied in the fourth quarter of 2003. The available cash resources at the end of 2002 improved from $116.2 million at the end of 2001 and $46.4 million at the end of 2000. In March 2003, the Company's revolving bank facility was amended to liberalize the use of debt to include acquisitions and development expenditures.

Operating cash flow, before working capital changes, increased to $20.4 million in 2002 from $12.4 million in 2001 and $6.5 million in 2000. This improvement primarily reflects increased gold production and an increased gold price. The Company's policy of not selling forward gold production allowed it to realize the full benefits of rising gold prices in 2002.The impact of weaker zinc prices was offset by the benefits of a weaker Canadian dollar and lower cash interest expenses.

In 2002, Agnico-Eagle invested $61.4 million in the expansion of LaRonde to 7,000 tons of ore per day versus $36.3 million invested in 2001 and $68.4 million invested in 2000. Of the 2002 amount, $43.1 million was invested in underground construction, development and resource definition, while $18.3 million was invested in the mill and surface infrastructure.

[GRAPHIC]

Consolidated capital expenditures in 2002 were $64.8 million with the difference of $3.4 million representing capitalized interest and land acquisitions. Expenditures on the LaRonde expansion were approximately $16.6 million in excess of budget for 2002 due primarily to poor productivity in the development of the lower mining levels. The poor productivity was caused by a SAG mill failure in July delaying backfill placement and high underground temperatures resulting from record summer heat coupled with delays in ventilation installation at depth.

In 2002, the Company declared its 23rd consecutive annual dividend of $0.03 per share, an increase over $0.02 per share declared in each of 2001 and 2000. Although the Company expects to continue paying dividends, future dividends will be at the discretion of the Company's Board of Directors and will be subject to factors such as income, financial condition,and capital requirements.

The Company's material obligations under firm contractual commitments relate to the convertible subordinated debentures in aggregate principal amount of $143.8 million maturing in 2012. The Company may redeem the debentures on or after February 15, 2006 in cash or, at the option of the Company, by delivering freely tradable common shares. At December 31, 2002, the Company had no net debt, that is, the $143.8 million principal amount outstanding on the convertible subordinated debentures due 2012 was more than offset by the Company's cash balances of $152.9 million. The Company expects however that interest expense on the convertible subordinated debentures will exceed interest income on cash balances over the next year.

2003 OUTLOOK: Based on an average gold price assumption of $320 for 2003, the Company expects operating cash flow to increase driven by anticipated higher gold production. Capital expenditures of $39 million are planned for 2003 including $36 million at LaRonde and $3 million on other projects. The Company expects to fund these capital expenditures from operating cash flow and existing cash balances.

R I S K P R O F I L E

FINANCIAL RISK

Agnico-Eagle's net income is most sensitive to metal prices and the US dollar/Canadian dollar exchange rate. The following graph shows the estimated impact on budgeted income per share ("EPS") in 2003 of a 10% change in metal prices and exchange rate from 2002 averages.

[GRAPHIC]

In order to mitigate the impact of fluctuating precious and base metal prices,Agnico-Eagle enters into hedging transactions under its Metal Price Risk Management Policy, approved by the Board of Directors. The Company's policy and practice is not to sell forward its gold production; however, the Policy does allow the Company to review this to use hedging strategies where appropriate to ensure an adequate return on new projects. In addition, the Company reviews various price protection strategies and has bought put options in the past to lock-in a minimum gold price for part of its production without limiting participation in gold price increases. The Company's metal price hedge position is summarized in note 9 to the consolidated financial statements. Agnico-Eagle's metals policy only allows hedging of specific risk exposures and prohibits speculative trading.

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. This gives rise to significant currency risk exposure. Agnico-Eagle has entered into currency hedging transactions under its Foreign Exchange Risk Management Policy, approved by the Board of Directors, to hedge part of its 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 assets and liabilities into US dollars) as these do not give rise to cash exposure. Agnico-Eagle's currency hedge position is summarized in note 9 to the consolidated financial statements. The currency policy only allows hedging of specific risk exposures and prohibits speculative trading.

Fluctuations in interest rates can also affect income and cash flows. However, Agnico-Eagle's convertible debentures are at a fixed rate and only its bank debt and cash balances are subject to variable rates. Therefore the impact of market rate changes on income and cash flows is minimal.The Company has a Short-Term Investment Risk Management Policy, approved by the Board of Directors, which only permits investment of excess cash balances in short-term money market instruments of the highest credit quality.

OPERATIONAL RISK

The Company is subject to various risks that it encounters in its day-to-day operations. It mitigates the likelihood and potential severity of these risks through the application of the highest standards in the planning, construction and operation of its facilities. In addition, emphasis is placed on hiring and retaining competent personnel and developing their skills through training in safety and loss control. Agnico-Eagle's operating and technical personnel have a solid track record of developing and operating precious metal mines and the LaRonde Mine has been recognized for its excellence in this regard with various safety and development awards. The Company also transfers some of its normal business risks through the purchase of insurance coverage. An Insurable Risk Management Policy, approved by the Board of Directors, governs Agnico-Eagle's purchase of insurance coverage and only permits the purchase of coverage from insurance companies of the highest credit quality.

RECLAMATION RISK

LaRonde's mining and processing operations are subject to environmental, reclamation and closure requirements. The Company monitors such requirements regularly and revises its cost estimates as needed to meet legal and regulatory requirements. Plans for ongoing operations, development and acquisitions are made with due consideration to environmental, reclamation and closure obligations. The Company reviews estimates at least annually and makes appropriate accruals.

O U T L O O K

The Company ended 2002 with record proven and probable gold reserves of 4.0 million ounces of gold. In 2002, the Company converted 1.0 million ounces of gold from resources to reserves at its LaRonde Mine. Including production replacement, LaRonde's gold reserves increased 23% from 3.3 million ounces to 4.0 million ounces.At current and expected mining rates, the LaRonde Mine, the Company's only producing property, has a mine life of approximately 17 years of production. The Company has calculated proven and probable reserves based on a gold price of $300 per ounce. If a gold price of $275 per ounce were assumed, LaRonde's mineral reserve position would decline by a maximum of eight percent.

C R I T I C A L A C C O U N T I N G P O L I C I E S

The preparation of the consolidated financial statements in accordance with US GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company evaluates estimates periodically, including those relating to metals awaiting settlement, inventories, future tax assets and liabilities, and mining properties. In making judgments about the carrying value of assets and liabilities, the Company uses estimates based on historical experience and various assumptions that are considered reasonable in the circumstances. Actual results may differ from these estimates.

The Company believes the following critical accounting policies relate to its more significant judgments and estimates used in the preparation of its consolidated financial statements. Management has discussed the development and selection of the following critical accounting policies with the Audit Committee of the Board of Directors and the Audit Committee has reviewed the Company's disclosure in this MD&A.

MINING PROPERTIES

The Company capitalizes the cost of acquiring land and mineral rights. If a mineable ore body is discovered, such costs are amortized when production begins,using the unit-of-production method based on proven and probable reserves. If no mineable orebody is discovered, such costs are expensed in the period in which it is determined the property has no future economic value. Costs for grassroots exploration are charged to income when incurred until an orebody is discovered. Further exploration and development to delineate the orebody are capitalized once a feasibility study is successfully completed and proven and probable reserves established.Construction costs,including interest costs for projects specifically financed by debt, are capitalized at cost and are not depreciated until commercial production begins. Amortization is based on the unit-of-production method over the estimated proven and probable reserves of the mine.

Subsequent capital expenditures which benefit future periods, such as the construction of underground infrastructure, are capitalized at cost and depreciated as mentioned above.

The carrying values of mining properties, plant and equipment and deferred expenditures are periodically reviewed for impairment. Impairment testing is based on the future undiscounted net cash flows of the operating mine or development property. If it is determined that the estimated net recoverable amount is less than the carrying value, the asset is written down to its fair value with a charge to income. Estimated future cash flows include estimates of recoverable metals in proven and probable reserves. Metals price assumptions are determined considering current and historical prices, price trends and other market related factors. Estimated future cash flows also consider ongoing capital requirements, reclamation costs, and related income and mining taxes, and are based on detailed engineering life-of-mine plans.

REVENUE RECOGNITION
The Company recognizes revenue from concentrates when legal title passes and estimates net realizable value using current metal prices and metal content from samples of the concentrates. Adjustments to the final settlements occur when the average metal prices are determined over a quotation period. These adjustments are included in revenue when determined and traditionally have not been material.

Revenue from gold and silver recovered in the form of dore bars is recorded when the gold and silver are refined and sold.

RECLAMATION COSTS
Estimated reclamation costs are based on legal, environmental and regulatory requirements. Prior to January 1,2003, reclamation costs were accrued on an undiscounted unit-of-production basis, using proven and probable reserves as the base. Effective January 1, 2003, the Company adopted the provisions of Financial Accounting Standards Board Statement No. 143 relating to asset retirement obligations, which applies to long-lived assets such as mines. The new standard requires companies to recognize the present value of mine reclamation costs as a liability in the period the obligation is incurred and then to periodically re-evaluate the liability. At inception, an amount equal to the liability is recorded as an increase to the carrying value of the related long-lived asset. Each period, an accretion amount is charged to income to adjust the liability to the estimated future value. The initial liability, which is included in the carrying value of the asset, is also depreciated each period based on the depreciation method used for that asset.

In order to calculate the initial liability in 2002, the Company has made estimates of the final reclamation costs based on mine-closure plans approved by the environmental agencies. The Company periodically reviews these cost estimates and updates them if assumptions change, such as life-of-mine.

The adoption of FAS 143 will negatively impact income in the first quarter of 2003 when the Company plans to record a charge of approximately $1.6 million, or $0.02 per share, representing the past cumulative effect of adopting this standard. In addition to this one-time charge, the accretion and depreciation associated with the new standard is expected to be $0.5 million in 2003. For 2003, the adoption of this standard will not be materially different from the current practice of accruing reclamation costs. On an ongoing basis, using current assumptions, reclamation expense determined in accordance with FAS 143 is expected to be $0.5 million yearly.

FUTURE TAX ASSETS AND LIABILITIES
The Company uses the liability method of tax allocation for accounting for income taxes. Under the liability method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities. Future tax assets are reduced by a valuation allowance if it is more likely than not that some or all of the future tax asset will not be realized. The Company evaluates the carrying value of its future tax assets quarterly by assessing its valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization are forecasts of future taxable income and available tax planning strategies that could be implemented to realize future tax assets.

STOCK-BASED COMPENSATION
The Company's existing stock-based compensation plan provides for the granting of options to directors, officers, employees and service providers to purchase common shares. Share options have exercise prices equal to market price at the grant date. As a result, the Company is not required to recognize compensation expense for options granted under this plan. Instead, the Company discloses the pro forma impact of stock option grants on reported income as if it had accounted for grants at fair value. Fair value is determined using the Black-Scholes option valuation model. However, limitations with existing option valuation models create difficulties in determining a reliable single measure of the fair value of stock option grants. The dilutive impact of stock option grants is currently factored into the Company's reported diluted income (loss) per share.

SUMMARIZEDQUARTERLYDATA

(thousands of US$, except as noted)	Quarter ended MAR. 31, 2002	Mar.31, 2001	JUNE 30, 2002	June 30, 2001
C O N S O L I D A T E D F I N A N C I A L D A T A				
INCOME AND CASH FLOW				
LARONDE DIVISION				
Revenues from mining operations	25,547	21,116	30,616	29,513
Mine operating costs	17,603	11,873	19,613	21,256
Mine operating profit	7,944	9,243	11,003	8,257
Net income (loss) for the period	477	498	3,360	480
Net income (loss) per share (basic and fully diluted)	0.01	0.01	0.05	0.01
Operating cash flow*	4,972	5,806	7,633	4,134
Operating cash flow per share	0.07	0.11	0.11	0.07
Weighted average number of common shares outstanding (in thousands)	68,006	54,270	69,050	56,360
Tons of ore milled	477,333	477,989	491,083	459,400
Head grades:				
Gold (ounces per ton)	0.14	0.13	0.17	0.16
Silver (ounces per ton)	2.52	2.10	2.28	2.53
Zinc (%)	5.24	5.22	3.64	5.32
Copper (%)	0.22	0.17	0.30	0.21
Recovery rates (%):				
Gold	94.54	93.20	92.92	93.83
Silver	83.70	82.70	80.10	80.70
Zinc	84.90	78.80	81.40	78.10
Copper	60.30	60.30	74.40	60.30
Payable production:				
Gold (ounces)	60,259	56,623	74,617	65,937
Silver (ounces in thousands)	724	634	709	723
Zinc (pounds in thousands)	35,997	33,262	24,740	32,600
Copper (pounds in thousands)	1,131	927	2,084	1,039
Realized prices (US$):				
Gold (per ounce)	300	269	310	267
Silver (per ounce)	4.48	4.48	4.67	4.59
Zinc (per pound)	0.36	0.46	0.36	0.42
Copper (per pound)	0.72	0.84	0.78	0.88
T O T A L P R O D U C T I O N C O S T S P E R G O L D O U N C E P R O D U C E D (US$)				
Onsite operating costs (including reclamation provision)	258	288	219	237
Less: Non-cash reclamation provision	(5)	(5)	(5)	(5)
Net byproduct revenues	(124)	(156)	(90)	(121)
Cash operating costs	129	127	124	111
El Coco royalty	32	--	40	23
Total cash operating costs	161	127	164	134
Non-cash costs:				
Reclamation provision	5	5	5	5
Amortization	54	60	49	48
Total production costs	220	192	218	187
Onsite operating costs per ton milled (C$)	52	50	52	52

*Before non-cash working capital.

Quarter ended

SEPT. 30, 2002	Sept. 30, 2001	DEC. 31, 2002	Dec. 31, 2001	TOTAL 2002	Total 2001
20,224	18,944	31,640	26,470	108,027	96,043
15,460	13,995	23,293	19,885	75,969	67,009
4,764	4,949	8,347	6,585	32,058	29,034
(630)	(5,631)	816	(1,065)	4,023	(5,718)
(0.01)	(0.08)	0.01	(0.02)	0.06	(0.09)
2,343	939	5,416	1,545	20,364	12,424
0.03	0.01	0.07	0.02	0.28	0.20
69,549	67,827	76,676	67,619	70,821	61,334
456,818	386,929	537,895	480,931	1,963,129	1,805,248
0.13	0.13	0.14	0.16	0.14	0.15
2.25	2.48	2.32	2.16	2.35	2.32
4.01	5.22	3.74	5.02	4.14	5.19
0.31	0.20	0.50	0.24	0.34	0.21
92.43	91.29	92.97	93.30	93.14	92.59
77.60	76.80	80.60	79.10	80.60	79.50
67.20	78.40	78.00	81.70	78.40	78.98
63.60	52.60	80.30	65.80	71.40	58.17
50,073	45,928	75,235	66,372	260,183	234,860
547	570	1,104	597	3,084	2,524
20,713	26,808	26,610	33,605	108,060	126,275
1,728	716	3,984	1,415	8,927	4,097
314	284	318	279	312	273
4.73	4.21	4.51	4.60	4.61	4.35
0.37	0.37	0.34	0.35	0.34	0.40
0.74	0.66	0.71	0.59	0.70	0.64
304	291	244	228	253	257
(5)	(5)	(5)	(5)	(5)	(5)
(102)	(121)	(111)	(90)	(107)	(120)
197	165	128	133	141	132
11	16	70	48	41	23
208	181	198	181	182	155
5	5	5	5	5	5
66	70	37	44	50	54
279	256	240	230	237	214
51	53	53	49	52	52

FIVE YEAR FINANCIAL AND OPERATING SUMMARY

Year ended December 31, (thousands of US$, except as noted)	2002	2001	2000	1999	1998
FINANCIAL DATA					
Revenues from mining operations	108,027	96,043	63,676	23,392	43,201
Interest and sundry income	1,943	5,752	2,145	(5,519)	3,084
	109,970	101,795	65,821	17,873	46,285
Costs and expenses	105,359	104,651	76,595	49,958	61,544
Loss before income taxes	4,611	(2,856)	(10,774)	(32,085)	(15,259)
Income and mining taxes expense (recoveries)	(588)	2,862	(3,906)	(13,016)	(4,766)
Net (income) loss	4,023	(5,718)	(6,868)	(19,069)	(10,493)
Net (income) loss per share	0.06	(0.09)	(0.12)	(0.36)	(0.21)
Operating cash flow (before non-cash working capital)	20,364	12,424	6,530	(13,570)	1,261
Operating cash flow per share	0.28	0.20	0.12	(0.36)	0.03
Dividends declared per share	0.03	0.02	0.02	0.02	0.02
Capital expenditures	64,836	36,278	69,640	68,892	43,774
Average gold price per ounce realized	312	273	278	274	296
Average exchange rate (US$ per C$)	0.6368	0.6458	0.6723	0.6725	0.6751
Weighted average number of common shares outstanding (in thousands)	70,821	61,334	54,447	53,331	50,005
Working capital (including undrawn credit lines)	310,142	135,908	49,733	106,941	93,465
Total assets	593,807	393,464	364,333	297,015	275,675
Long-term debt	143,750	151,081	186,261	131,458	114,284
Shareholders' equity	397,693	198,426	118,585	118,658	128,621
OPERATING SUMMARY					
LARONDE DIVISION					
Revenues from mining operations	108,027	96,043	63,676	21,561	43,201
Mine operating costs	75,969	67,009	49,997	28,447	34,535
Mine operating profit (loss)	32,058	29,034	13,679	(6,886)	8,666
Tons of ore milled	1,963,129	1,805,248	1,415,888	798,396	776,752
Gold (ounces per ton)	0.14	0.15	0.14	0.13	0.21
Gold production (ounces)	260,183	234,860	173,852	90,035	150,443
Silver production (ounces in thousands)	3,084	2,524	1,128	277	270
Zinc production (pounds in thousands)	108,060	126,275	50,681	9,778	1,231
Copper production (pounds in thousands)	8,927	4,097	4,943	3,282	6,151
TOTAL PRODUCTION COSTS PER GOLD OUNCE PRODUCED (US$)					
Onsite operating costs (including reclamation provision)	253	257	294	334	229
Less: Non-cash reclamation provision	(5)	(5)	(3)	(4)	(3)
Net byproduct revenues	(107)	(120)	(103)	(53)	(14)
Cash operating costs	141	132	188	277	212
El Coco royalty	41	23	--	--	--
Total cash operating costs	182	155	188	277	212
Non-cash costs: Reclamation provision	5	5	3	4	3
Amortization	50	54	53	61	42
Total production costs	237	214	244	342	257
Onsite operating costs per ton milled (C$)	52	52	54	56	66
GOLD RESERVES AND RESOURCES					
Total Proven and Probable Reserves & Indicated Resources (thousands, ounces of gold)	5,135	3,399	3,649	3,016	1,274
Total Inferred Resources (thousands, ounces of gold)	5,160	5,110	4,111	3,051	3,271

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Agnico-Eagle Mines Limited and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with United States generally accepted accounting principles and considered to be the most appropriate in the circumstances. The consolidated financial statements are not precise, since they include amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

Agnico-Eagle Mines Limited maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and all of its members are independent directors. The Audit Committee meets periodically with management, as well as the external auditors,to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Audit Committee reports its findings to the Board of Directors for consideration when approving the consolidated financial statements for issuance to the shareholders.

The Audit Committee also considers, for review by the Board of Directors and approval by the sharehold-ers,the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian and United States generally accepted auditing standards on behalf of the shareholders. Ernst & Young LLP has full and free access to the Audit Committee.

/s/ Sean Boyd, C.A.	/s/ David Garofalo, C.A.
Sean Boyd, C.A. President and Chief Executive Officer	David Garofalo, C.A. Vice President, Finance and Chief Financial Officer

Toronto, Canada
February 18, 2003

AUDITORS' REPORT

TO THE SHAREHOLDERS OF AGNICO-EAGLE MINES LIMITED:

We have audited the consolidated balance sheets of Agnico-Eagle Mines Limited as at December 31, 2002 and 2001 and the consolidated statements of income (loss) and comprehensive income (loss), shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2002. These financial statements are the responsibility of the Company's management.Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian and United States generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2002 in accordance with United States generally accepted accounting principles.

We also reported separately on February 18, 2003 to the shareholders of Agnico-Eagle Mines Limited, on our audit, conducted in accordance with Canadian and United States generally accepted auditing standards, where we expressed an opinion without reservation on December 31, 2002 and 2001 consolidated financial statements, prepared in accordance with Canadian generally accepted accounting principles.

/s/ ERNST & YOUNG LLP
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Ernst & Young LLP
Chartered Accountants
Toronto, Canada
February 18, 2003

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company") are expressed in thousands of United States dollars ("US dollars"),except where noted,and have been prepared in accordance with United States generally accepted accounting principles ("US GAAP"). We have also prepared consolidated financial statements in accordance with Canadian generally accepted accounting principles. Since a precise determination of many assets and liabilities depends on future events,the presentation of consolidated financial statements for a period necessarily involves the use of estimates and approximations. Actual results may differ from such estimates and approximations. The consolidated financial statements have, in management's opinion, been prepared within reasonable limits of materiality and within the framework of the significant accounting policies referred to below.

BASIS OF CONSOLIDATION

These consolidated financial statements include the accounts of the Company and all its subsidiaries.Prior to October 15, 2001, Agnico-Eagle consolidated its 49.5% direct and indirect ownership interest in Mentor Exploration and Development Co., Limited ("Mentor") on the basis of the Company's ability to determine its strategic operating, investing and financing policies. Effective October 15, 2001, Mentor was amalgamated with the Company under a court approved plan of arrangement to continue as Agnico-Eagle Mines Limited (note 2).

The cost of the Company's own shares held by Mentor had been presented in the consolidated balance sheets as a reduction of shareholders' equity. Changes in the Company's own shares held by a subsidiary company resulted from purchases and sales of Agnico-Eagle's shares by Mentor.

Agnico-Eagle recognizes gains and losses on the effective disposition of interests in associated companies arising when such associated companies issue treasury shares to third parties. Gains are recognized in income only if there is reasonable assurance of realization, otherwise they are recorded within accumulated other comprehensive loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and short-term investments in money market instruments with original maturities of three months or less at the date of purchase. Short-term investments are carried at cost, which approximates market value.

INVENTORIES

Inventories consist of ore stockpiles, in-process concentrates and supplies.

Ore stockpiles represent coarse ore that has been mined and is available for further processing. Stockpiles are measured by estimating the number of tons,contained ounces (based on assays) and recovery percentages (based on actual recovery rates achieved for processing similar ore). Specific tonnages are verified and compared to original estimates once the stockpile is milled. Stockpiles are not intended to be long-term inventory items and therefore are generally processed within twelve months of extraction. Ore stockpiles are valued at the lower of net realizable value and mining costs incurred up to the point of stockpiling the ore, including amortization relating to the mining operations.

In-process inventories consist of concentrates for which legal title has not yet passed to custom smelters. In-process inventories are measured based on assays of the processed concentrates and are valued based on the lower of net realizable value and the mining and milling costs associated with extracting and processing the ore.

Supplies, consisting of mine stores inventory, are valued at the lower of average cost and replacement cost.

S U M M A R Y O F S I G N I F I C A N T A C C O U N T I N G P O L I C I E S

D E F E R R E D F I N A N C I N G C O S T S

Deferred financing costs, which are included in other assets on the consolidated balance sheets and relate to the issuance of the senior convertible debentures and the Company's revolving credit facility, are being amortized to income over the term of the related obligations. If the holders of the Company's convertible debentures exercise their conversion option, the common shares issued on such conversion will be recorded at an amount equal to the aggregate of the carrying value of the long-term liability, net of the associated financing costs, with no gain or loss being recognized in income.

MI N I N G P R O P E R T I E S , P L A N T A N D E Q U I P M E N T A N D D E F E R R E D E X P E N D I T U R E S

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 production begins, using the unit-of-production method, based on estimated proven and probable reserves. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value.

Expenditures for new facilities and improvements that can extend the useful lives of existing facilities are capitalized as plant and equipment at cost. Interest costs incurred, prior to the commencement of commercial production for projects specifically financed by debt, are capitalized.

Agnico-Eagle records depreciation on plant and equipment used in commercial production on a unit-of-production basis based on the estimated proven and probable ore reserves of the mine, which does not exceed 20 years. Repairs and maintenance expenditures are charged to income as production costs. Assets under construction are not depreciated until the end of the construction period. Upon commencement of commercial production, the capitalized construction costs are transferred to the various categories of plant and equipment.

Mineral exploration costs are charged to income in the year in which they are incurred. When it is determined that a mining property can be economically developed as a result of established proven and probable reserves, the costs of further exploration and development to further delineate the orebody on such property are capitalized. The establishment of proven and probable reserves is based on results of final feasibility studies, which indicate whether a property is economically feasible. Upon commencement of the commercial production of a development project, these costs are transferred to the appropriate asset category and are amortized to income using the unit-of-production method mentioned above. Deferred expenditures, net of salvage values, relating to a property which is abandoned or considered uneconomic for the foreseeable future, are written off.

The carrying values of mining properties, plant and equipment and deferred expenditures are reviewed periodically, when impairment factors exist, for possible impairment, based on the future undiscounted net cash flows of the operating mine and development property. If it is determined that the estimated net recoverable amount is less than the carrying value, then a write down to the estimated fair value amount is made with a charge to income. Estimated future cash flows of an operating mine and development properties include estimates of recoverable ounces of gold based on the proven and probable reserves of the mine, gold prices (considering current and historical prices, price trends and related factors), production levels, capital and reclamation costs, and related income and mining taxes, all based on detailed engineering life-of-mine plans. Cash flows are subject to risks and uncertainties and changes in the estimates of the cash flows could affect the recoverability of long-lived assets.

F I N A N C I A L I N S T R U M E N T S

Agnico-Eagle employs derivative financial instruments, primarily option contracts, to manage exposure to fluctuations in metal prices and foreign currency exchange rates. Agnico-Eagle does not hold financial instruments or derivative financial instruments for trading purposes.

As a result of adopting United States Financial Accounting Standards Board ("FASB") Statements No. 133 ("FAS 133"), 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 income or in shareholders' equity as a component of other comprehensive loss depending on whether the derivative financial instrument qualifies for hedge accounting. Currently, only the Company's gold put option contracts qualify for hedge accounting and changes in the fair value of these derivative financial instruments are recognized as a component of other comprehensive loss. Changes in the fair value of all other derivative financial instruments are recognized in income.

R E V E N U E R E C O G N I T I O N

Effective 2000, the Company changed its accounting policy with respect to revenue recognition. As a result of the change, revenue from concentrates is recognized when legal title passes to the custom smelters and is valued on an estimated net realizable value basis. Periodic adjustments on the final settlement of concentrates previously sold to smelters are included in revenue as soon as the amount can be reasonably determined. Revenue from gold and silver in the form of dore bars is recorded when the refined gold and silver are sold and are also included in revenues from mining operations. Prior to this change, Agnico-Eagle recognized revenue on a production basis. Under this basis of accounting, revenue was recognized once the ore was extracted and processed at the onsite mill facilities. The accounting change was accounted for as a cumulative catch-up adjustment and resulted in a loss of $1.8 million or $0.03 per share in 2000.

Revenues from mining operations consist of gold and byproduct revenues, net of smelting, refining and other marketing charges.

F O R E I G N C U R R E N C Y T R A N S L A T I O N

Monetary assets and liabilities of Agnico-Eagle's operations denominated in a currency other than US dollars are translated into US dollars using the exchange rate in effect at the year end. Non-monetary assets and liabilities are translated at historical exchange rates while revenues and expenses are translated at the average exchange rate during the year, with the exception of amortization, which is translated at historical exchange rates. Exchange gains and losses are included in income except for gains and losses on foreign currency contracts used to hedge specific future commitments in foreign currencies. Gains and losses on these contracts are accounted for as a component of the related hedged transactions.

R E C L A M A T I O N C O S T S

Estimated future reclamation costs are based primarily on legal environmental and regulatory requirements. The costs of Agnico-Eagle's active mining operations are accrued, on an undiscounted basis, as a production cost, on a unit-of-production method based on the proven and probable ore reserves. Future reclamation costs for the Company's inactive mines are accrued based on management's best estimate of the costs at the end of each period, comprising costs expected to be incurred at a site, on an undiscounted basis. Such cost estimates include, where applicable, ongoing care and maintenance and monitoring costs. Changes in estimates are reflected in income in the period an estimate is revised.

Effective January 1, 2003, the Company adopted the provisions of FASB Statement No. 143 ("FAS 143") related to asset retirement obligations.FAS 143 applies to legal obligations resulting from the construction, development and operation of long-lived assets, such as mining assets. The new standard requires companies to recognize the present value of reclamation costs as a liability in the period the legal obligation is incurred. The Company estimated the final reclamation provision taking into account current circumstances such as projected mine life at the end of 2002 and current throughput of 7,000 tons per day. Subsequent revisions to the final reclamation estimate could result from legislative changes or changes in the underlying assumptions - such as life-of-mine.

The initial adoption of FAS 143 will negatively impact income in the first quarter of 2003 as the Company records a charge representing the cumulative effect of adopting this standard. On an annual basis, the Company expects that the impact of adopting this standard will not be materially different from the current practice of accruing reclamation costs.

I N C O M E A N D M I N I N G T A X E S

Agnico-Eagle follows the liability method of tax allocation for accounting for income taxes. Under this method of tax allocation, future income and mining tax bases of assets and liabilities are measured using the substantively enacted tax rates and laws expected to be in effect when the differences are expected to reverse.

From time to time, the Company issues flow-through shares to finance some of its exploration activities. Common shares of the Company are issued for cash at the market price in exchange for Agnico-Eagle giving up the tax benefits arising from the exploration activities. Agnico-Eagle records such common share issuances by crediting share capital for the full value of cash consideration received.The cost of the future income and mining tax benefits arising at the time Agnico-Eagle renounces the income and mining tax deductibility of the eligible expenditures to the investors are accounted for as a share issue cost.

S T O C K- B A S E D C O M P E N S A T I O N

Agnico-Eagle has two stock-based compensation plans. The Employee Stock Option Plan is described in note 7(a) and the Incentive Share Purchase Plan is described in note 7(b) to the consolidated financial statements.

The Company accounts for its stock option grants based on the recognition and measurement principles of Accounting Principles Board Opinion No. 25 and related interpretations. The application of Opinion No. 25 results in no compensation expense being recorded, in Agnico-Eagle's circumstances, as all options granted had an exercise price equal to the market value of the underlying stock on the date of grant. Pro-forma fair value disclosures assume that the estimated fair value of options would be amortized to expense over the options' vesting period. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital.

P E N S I O N C O S T S A N D O B L I G A T I O N S A N D P O S T - R E T I R E M E N T B E N E F I T S

Prior to July 1, 1997, Agnico-Eagle had a defined benefit plan for its salaried employees, which was substantially converted to a defined contribution plan. In addition, Agnico-Eagle provides a non-registered supplementary executive retirement defined benefit plan for its senior officers. The executive retirement plan benefits are generally based on the employees' years of service and level of compensation. Pension expense related to the defined benefit plan is the net of the cost of benefits provided, the interest cost of projected benefits, return on plan assets and amortization of experience gains and losses. Pension fund assets are measured at current fair values. Actuarially determined plan surpluses or deficits, experience gains or losses and the cost of pension plan improvements are amortized on a straight-line basis over the expected average remaining service life of the employee group.

Agnico-Eagle maintains a defined contribution plan covering all of its employees. The plan is funded by Company contributions based on a percentage of income for services rendered by employees.

The Company does not offer any post-retirement benefits to its employees.

N E W A C C O U N T I N G P R O N O U N C E M E N T S

In June 2002, the FASB introduced FAS 146 "Accounting for Costs Associated with Exit or Disposal Activities" nullifying Emerging Issues Task Force ("EITF") Issue No.94-3 "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit and Activity (including Certain Costs Incurred in a Restructuring)."FAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred rather than the date of an entity's commitment to an exit plan as was required under EITF No. 94-3. FAS 146 is effective for exit or disposal activities initiated after December 31, 2002, and the Company does not anticipate any impact upon adoption except with respect to any exit or disposal activities initiated after that date.

C O M P A R A T I V E F I G U R E S

Certain items in the comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2002 consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(thousands of US$, US GAAP basis) As at December 31,	2002	2001
ASSETS		
Current		
Cash and cash equivalents	$ 152,934	$ 21,180
Metals awaiting settlement note 1	29,749	20,080
Income taxes recoverable	2,900	628
Inventories:		
Ore stockpiles	4,604	4,567
In-process concentrates	1,008	1,287
Supplies	5,008	3,903
Prepaid expenses and other note 2(a)	10,025	3,822
Total current assets	206,228	55,467
Fair value of derivative financial instruments note 9	1,835	6,851
Other assets note 2(b)	8,795	6,035
Future income and mining tax assets note 8	23,890	23,890
Mining properties note 3	353,059	301,221
	$ 593,807	$ 393,464
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities note 10	$ 15,246	$ 9,423
Dividends payable	3,013	1,853
Income and mining taxes payable	954	1,231
Interest payable	1,873	2,052
Total current liabilities	21,086	14,559
Long-term debt note 4	143,750	151,081
Reclamation provision and other liabilities note 5	5,043	4,055
Fair value of derivative financial instruments note 9	5,346	7,026
Future income and mining tax liabilities note 8	20,889	18,317
SHAREHOLDERS' EQUITY		
Common shares note 6(a)		
Authorized - unlimited		
Issued - 83,636,861 (2001 - 67,722,853)	591,969	407,347
Warrants note 6(c)	15,732	--
Contributed surplus	7,181	7,181
Deficit	(196,023)	(197,537)
Accumulated other comprehensive loss note 6(d)	(21,166)	(18,565)
Total shareholders' equity	397,693	198,426
	$ 593,807	$ 393,464

See accompanying notes

On behalf of the Board:

/s/ Sean Boyd, C.A.
Sean Boyd, C.A.
Director

/s/ Bernard Kraft, C.A.
Bernard Kraft, C.A.
Director

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(thousands of US$,US GAAP basis) Years ended December 31,	2002	2001	2000
REVENUES			
Revenues from mining operations	$ 108,027	$ 96,043	$ 63,676
Interest and sundry income	1,943	5,752	2,145
	109,970	101,795	65,821
COSTS AND EXPENSES			
Production note 3	75,969	67,009	49,997
Exploration and corporate development note 3	3,766	6,391	3,213
Amortization	12,998	12,658	9,220
General and administrative	5,530	4,461	4,223
Provincial capital tax	829	1,551	1,301
Interest note 4	7,341	12,917	5,920
Foreign currency (gain) loss	(1,074)	(336)	890
Income (loss) before income, mining and federal capital taxes	4,611	(2,856)	(8,943)
Federal capital tax	949	723	705
Income and mining taxes expense (recovery) note 8	(361)	2,139	(4,611)
Net income (loss) before cumulative catch-up adjustment	4,023	(5,718)	(5,037)
Cumulative catch-up adjustment relating to revenue recognition	--	--	(1,831)
Net income (loss) for the year	$ 4,023	$ (5,718)	$ (6,868)
Net income (loss) before cumulative catch-up adjustment per share - basic and diluted note 6(e)	$ 0.06	$ (0.09)	$ (0.09)
Cumulative catch-up adjustment per share - basic and diluted	--	--	(0.03)
Net income (loss) per share - basic and diluted note 6(e)	$ 0.06	$ (0.09)	$ (0.12)
COMPREHENSIVE INCOME (LOSS):			
Net income (loss) for the year	$ 4,023	$ (5,718)	$ (6,868)
Other comprehensive loss:			
Unrealized loss on hedging activities	(5,512)	--	--
Unrealized gain on available-for-sale securities	1,558	--	--
Dilution gain on issuance of securities by subsidiary company	1,610	--	--
Minimum pension liability	(980)	--	--
Cumulative transitional adjustment upon the adoption of FAS 133 related to the accounting for derivative instruments and hedging activities	--	(2,810)	--
Adjustments for derivative instruments, maturing during the year, included in the cumulative adjustment at January 1,2001	723	152	--
Other comprehensive loss for the year	(2,601)	(2,658)	--
Total comprehensive income (loss) for the year	$ 1,422	$ (8,376)	$ (6,868)

See accompanying notes

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(thousands of US$,US GAAP basis) Years ended December 31, 2002, 2001 and 2000	Common Shares Shares	 Amount	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss
BALANCE DECEMBER 31,1999	55,391,451	$ 319,782	$ --	$ 7,181	$ (182,487)	$(15,907)
Shares issued under Employee Stock Option Plan note 7(a)	13,700	68	--	--	--	--
Shares issued under the Share Purchase Plan note 7(b)	248,769	1,490	--	--	--	--
Shares issued under flow-through share private placement note 6(b)	475,000	2,140	--	--	--	--
Shares issued under the Company's dividend reinvestment plan	10,560	72	--	--	--	--
Net loss	--	--	--	--	(6,868)	--
Dividends declared ($0.02 per share)	--	--	--	--	(1,110)	--
BALANCE DECEMBER 31, 2000	56,139,480	$ 323,552	--	$ 7,181	$ (190,465)	$ (15,907)
Shares issued under Employee Stock Option Plan note 7(a)	426,100	2,100	--	--	--	--
Shares issued under the Share Purchase Plan note 7(b)	209,826	1,783	--	--	--	--
Shares issued under flow-through share private placement note 6(b)	200,000	2,513	--	--	--	--
Shares issued by public offering, net of share issue costs note 6(c)	10,350,000	75,450	--	--	--	
Shares issued on the conversion of Company's senior convertible notes	6,691	113	--	--	--	--
Shares issued to acquire Mentor note 2	369,348	1,719	--	--	--	--
Shares issued under the Company's dividend reinvestment plan	21,408	117	--	--	--	--
Net loss for the year	--	--	--	--	(5,718)	--
Dividends declared ($0.02 per share)	--	--	--	--	(1,354)	--
Other comprehensive loss for the year	--	--	--	--	--	(2,658)
BALANCE DECEMBER 31, 2001	67,722,853	$ 407,347	$--	$ 7,181	$ (197,537)	$ (18,565)
Shares issued under Employee Stock Option Plan note 7(a)	1,927,500	14,580	--	--	--	--
Shares issued under the Share Purchase Plan note 7(b)	138,747	2,061	--	--	--	--
Shares issued under flow-through share private placement note 6(b)	40,161	617	--	--	--	--
Units issued by public offering, net of issue costs note 6(c)	13,800,000	167,246	15,732	--	--	--
Shares issued on the conversion of Company's senior convertible notes	4,460	80	--	--	--	--
Shares issued under the Company's dividend reinvestment plan	3,140	38	--	--	--	--
Net income for the year	--	--	--	--	4,023	--
Dividends declared ($0.03 per share)	--	--	--	--	(2,509)	--
Other comprehensive loss for the year	--	--	--	--	--	(2,601)
BALANCE DECEMBER 31,2002	83,636,861	$ 591,969	$15,732	$ 7,181	$ (196,023)	$ (21,166)

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands of US$,US GAAP basis) Years ended December 31,	2002	2001	2000
OPERATING ACTIVITIES			
Net income (loss) for the year	$ 4,023	$ (5,718)	$ (6,868)
Add (deduct) items not affecting cash:			
Amortization	12,998	12,658	9,220
Future income and mining taxes	1,183	3,150	2,623
Unrealized gain on derivative contracts	(1,680)	(4,249)	(1,456)
Amortization of deferred costs and other	3,840	6,583	3,011
Cash flows from operations, before working capital changes	20,364	12,424	6,530
Changes in non-cash working capital balances			
Metals awaiting settlement	(9,669)	(8,140)	(10,105)
Income taxes recoverable	(2,549)	429	(387)
Inventories	(863)	(1,332)	(1,227)
Prepaid expenses and other	(2,319)	999	(964)
Accounts payable and accrued liabilities	8,327	(7,765)	7,790
Interest payable	(179)	(794)	950
Cash provided by (used in) operating activities	13,112	(4,179)	2,587
INVESTING ACTIVITIES			
Additions to mining properties	(64,836)	(36,278)	(69,640)
Additions to investments and other	(1,773)	(278)	(46)
Cash used in investing activities	(66,609)	(36,556)	(69,686)
FINANCING ACTIVITIES			
Dividends paid	(1,344)	(1,114)	(1,064)
Common shares issued	193,784	87,416	5,136
Warrants issued	15,732	--	--
Share and warrant issue costs	(9,162)	(5,209)	(88)
Proceeds from long-term debt note 4	143,750	--	--
Financing costs	(5,266)	--	--
Repayment of the Company's senior convertible debentures note 4	(122,169)	--	--
Bank debt	(30,000)	(37,500)	52,500
Resale of the Company's own shares by a subsidiary company and other	--	4,974	1,887
Cash provided by financing activities	185,325	48,567	58,371
Effect of exchange rate changes on cash and cash equivalents	(74)	(558)	46
Net increase (decrease) in cash and cash equivalents during the year	131,754	7,274	(8,682)
Cash and cash equivalents,beginning of year	21,180	13,906	22,588
Cash and cash equivalents,end of year	$ 152,934	$ 21,180	$ 13,906

See note 4 and note 8 for supplemental cash flow information

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of US$,unless otherwise indicated)

1. METALS AWAITING SETTLEMENT

	2002	2001
Precious metals	$ 2,856	$ 5,940
Concentrates awaiting settlement	26,893	14,140
	$ 29,749	$ 20,080

In 2002, precious metals (gold and silver) accounted for 87.7% (2001 - 79.8%; 2000 - 80.2%) of Agnico-Eagle's revenues from mining operations. Other byproduct revenues in 2002 consisted of 12.3% zinc (2001 - 20.2%; 2000 - 19.1%) and nil copper (2001 - nil; 2000 - 0.7%).

2. OTHER ASSETS

(A) PREPAID EXPENSES AND OTHER

	2002	2001
Available-for-sale securities (at market value)	$ 3,886	$ 324
Prepaid expenses	824	--
Loans receivable	465	1,642
Federal and provincial sales taxes receivable	3,716	1,184
Other	1,134	672
	$ 10,025	$ 3,822

(B) OTHER ASSETS

	2002	2001
Deferred financing costs, less accumulated amortization of $1,313 (2001 - $756)	$ 8,577	$ 5,546
Other	218	489
	$ 8,795	$ 6,035

Effective October 15, 2001, the Company acquired the remaining 50.5% of the Mentor common shares not already owned by it through a court approved plan of arrangement and continued its business as Agnico-Eagle Mines Limited. Under this plan of arrangement, the Company issued 369,348 of its common shares in exchange for 1,759,117 common shares of Mentor held by minority interest shareholders for net proceeds of $1.7 million. In conjunction with the arrangement, Mentor distributed its entire ownership of 4,441,148 common shares of Sudbury Contact Mines Limited ("Sudbury Contact"), a partially-owned subsidiary of Agnico-Eagle, to its shareholders as a return of capital. This acquisition has been accounted for by the purchase method and resulted in a decrease in minority interest of $1.7 million. The pro forma results for 2001 and 2000, after giving effect to the acquisition assuming that the transaction occurred on January 1, 2000, would not materially differ from the actual results of the Company for the years ended December 31,2001 and 2000.

3. MINING PROPERTIES

	2002			2001		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	Cost	Accumulated Amortization	Net Book Value
Mining properties	$ 45,734	$ 8,335	$ 37,399	$ 45,156	$ 6,595	$ 38,561
Plant and equipment	244,659	63,348	181,311	201,798	57,229	144,569
Deferred expenditures	161,167	26,818	134,349	139,770	21,679	118,091
	$451,560	$ 98,501	$353,059	$386,724	$ 85,503	$301,221

Included in exploration expense in 2001 is the Company's write-off of its investment in the Tonkin Springs project of $1.6 million and the payment of $0.7 million for environmental restoration costs. On March 1, 1999, Sudbury Contact acquired a 60% interest in Tonkin Springs, an advanced exploration property on the Battle Mountain-Cortez Gold Trend in Nevada, for $1.6 million. The remaining 40% ownership interest was owned and controlled by U.S. Gold Corporation, an unrelated gold exploration company based in the United States. Effective October 18, 2001, management determined that this project was not viable under the current gold price environment and elected, under the management and operating agreement with U.S. Gold Corporation, to exit the Tonkin Springs project as the project manager and relinquish its entire ownership interest in Tonkin Springs. The Company's obligation with respect to environmental and regulatory requirements was fully satisfied by the payment of $0.5 million in additional environmental bonding and $0.2 million to an independent consultant under an escrow agreement for future environmental restoration work.

The Company's El Coco property ("El Coco"), located adjacent to and immediately east of the Company's LaRonde Mine, is subject to a royalty interest payable to Barrick Gold Corporation. The El Coco royalty, on production from an area that extends 500 metres from the property boundary with the LaRonde Mine, consists of a 50% net profits interest ("NPI"), which is defined as net revenues from the sale of minerals produced from the property less the pro-rated portion of the production costs and allowable direct and common capital expenditures related to the exploration and development of the property. The remaining area of the El Coco property is subject to a 4% net smelter return royalty (defined as gross revenues from the sales of minerals less applicable refining, selling and delivery costs and applicable taxes). During 2002,the Company made NPI royalty payments of $12.0 million (2001 - $5.4 million;2000 nil).

4 . L O N G - T E R M D E B T

	2002	2001
Convertible subordinated debentures due February 15,2012 note 4(a)	$143,750	$ --
Senior convertible notes due January 27, 2004 note 4(a)	--	121,081
Revolving credit facility note 4(b)	--	30,000
	$143,750	$151,081

(A) CONVERTIBLE SUBORDINATED DEBENTURES

On February 15, 2002, Agnico-Eagle issued $143.8 million aggregate principal amount of convertible subordinated debentures due February 15, 2012 for net proceeds of $138.5 million after deducting underwriting commissions of $4.3 million. Other costs of issuing the debentures totaled $1.0 million. The debentures bear interest of 4.50% per annum on the principal amount payable in cash semi-annually. The debentures are convertible into common shares of Agnico-Eagle at the option of the holder, at any time on or prior to maturity, at a rate of 71.429 common shares per $1,000 principal amount. The debentures are redeemable by Agnico-Eagle, in whole or in part, at any time on or after February 15, 2006 at a redemption price equal to par plus accrued and unpaid interest. The Company may redeem the debentures in cash or, at the option of the Company, by delivering freely tradable common shares.

On February 15, 2002, the entire amount of the Company's senior convertible notes due January 27, 2004 was called for redemption.

(B) REVOLVING CREDIT FACILITY

The revolving credit facility (the "Facility") with a syndicate of banks provides the Company with up to $125 million of revolving debt. Under the terms of the Facility, which is primarily secured by a first charge on the Company's LaRonde Mine and the El Coco property, an initial tranche of $100 million is currently available and a second tranche of $25 million will also be made available when the LaRonde Mine expansion to 7,000 tons of ore per day is completed. The Facility is fully revolving until the end of 2004, at which time the drawn portion of the Facility will begin to amortize at annual rates of 25%, 32.5%, 20%, 12.5% and 10% in the years 2004 to 2008, respectively. The interest rate under the Facility currently is LIBOR plus 2.25% per annum and a standby fee of 1% per annum on any undrawn portion of the Facility.

For the year ended December 31, 2002, interest expense was $7.3 million (2001 - $12.9 million; 2000 - $5.9 million) of which cash payments were $24.4 million (2001 - $10.4 million; 2000 - $4.4 million). Approximately $19 million of the cash interest payments in 2002 were in connection with the redemption of the Company's January 27, 2004 senior convertible notes. In 2002, cash interest on the Facility of $2.3 million (2001 - nil;2000 -$5.2 million) was capitalized in construction in progress. Weighted average interest rate for the year ended December 31, 2002 was 7.6% (2001 - 6.1%; 2000 - 7.6%).

5 . R E C L A M A T I O N P R O V I S I O N A N D O T H E R L I A B I L I T I E S Reclamation provision and other liabilities consist of the following:

	2002	2001
Reclamation and closure costs note 5(a)	$ 2,066	$ 2,126
Pension benefits note 5(b)	2,977	1,929
	$ 5,043	$ 4,055

(A) RECLAMATION AND CLOSURE COSTS
Under mine closure plans submitted to the Minister of Natural Resources in Quebec, the estimated current reclamation costs for the LaRonde Mine are approximately $13.8 million. These reclamation estimates are based on current legislation and there can be no assurance that the Minister of Natural Resources will not impose additional reclamation obligations with higher costs. All of the accrued reclamation and closure costs are long-term in nature and thus no portion of these costs has been reclassified to current liabilities.

Effective January 1, 2003, the Company adopted the provisions of FAS 143 related to asset retirement obligations. The initial adoption of FAS 143 will negatively impact income in the first quarter of 2003 as the Company records a $1.6 million charge representing the cumulative effect of adopting this standard.

(B) PENSION BENEFITS
Effective July 1, 1997, Agnico-Eagle's defined benefit pension plan for active employees was converted to a defined contribution plan. Employees retired prior to that date remain in the defined benefit pension plan. In addition, Agnico-Eagle also provides a non-registered executive supplementary defined benefit plan for certain senior officers. The funded status of Agnico-Eagle's defined benefit employees' pension plan is based on an actuarial valuation as of December 31,1999 and projected to December 31, 2002. The funded status of the executive supplementary defined benefit plan is based on an actuarial valuation as of July 1, 2002 and is projected to December 31, 2002. The components of Agnico-Eagle's defined benefit expense are as follows:

	2002	2001	2000
Service cost - benefits earned during the year	$ 210	$ 194	$ 221
Interest cost on projected benefit obligation	348	312	330
Return on plan assets	(125)	(162)	(216)
Amortization of net transition asset, past service liability and net experience gains	(138)	52	54
Net pension plan expense	$ 295	$ 396	$ 389

Agnico-Eagle contributes 5% of its payroll expense to a defined contribution plan. The expense in 2002 was $1.1 million (2001 - $0.8 million; 2000 - $0.7 million).

Assets of the defined benefit plan are comprised of pooled Canadian and US equity funds and pooled bond funds. The funded status of the defined benefit employees'pension plan ("Employees") and the executives' retirement plan ("Executives") for 2002 and 2001 are as follows:

	2002		2001	
	EMPLOYEES	EXECUTIVES	Employees	Executives
R E C O N C I L I A T I O N O F T H E M A R K E T V A L U E O F P L A N A S S E T S				
Fair value of plan assets,beginning of year	$ 1,704	$ 176	$ 2,702	$ 148
Agnico-Eagle's contribution	--	44	--	75
Actual return on plan assets	(31)	--	68	--
Benefit payments	(111)	(22)	(177)	(37)
Transfer to defined contribution plan	--	--	(755)	--
Effect of exchange rate changes	14	2	(134)	(10)
Fair value of plan assets,end of year	$ 1,576	$ 200	$ 1,704	$ 176
R E C O N C I L I A T I O N O F P R O J E C T E D P E N S I O N B E N E F I T O B L I G A T I O N				
Benefit obligation,beginning of year	$ 1,439	$ 3,241	$ 1,571	$ 3,201
Service costs	--	210	--	194
Interest costs	95	253	100	212
Actuarial losses (gains)	34	377	36	(135)
Benefit payments	(111)	(22)	(177)	(37)
Effect of exchange rate changes	11	22	(91)	(194)
Benefit obligation,end of year	$ 1,468	$ 4,081	$ 1,439	$ 3,241
Excess (deficiency) of plan assets over benefit obligation	$ 108	$(3,881)	$ 265	$(3,065)
Comprised of:				
Unamortized transition asset (liability)	$ 823	$(1,568)	$ 953	$(1,742)
Unamortized net experience gain (loss)	(324)	(242)	(134)	131
Accrued liabilities	(391)	(2,071)	(554)	(1,454)
	$ 108	$(3,881)	$ 265	$(3,065)
Discount rate (i)	6.50%	6.50%	6.75%	6.75%
Rate of return	7.50%	N.A.	7.50%	n.a.
Rate of salary increase	N.A.	3.0%	n.a.	3.0%
Estimated average remaining service life for the Employees plan (in years)	8.0	9.0(ii)	8.0	10.6(ii)

Notes:
(i) Discount rates used for the Executives plan are after-tax rates.
(ii)Estimated average remaining service life for the Executives plan was developed for individual senior officers.

6. S H A R E H O L D E R S ' E Q U I T Y (A) COMMON SHARES The Company's common shares are covered by a Shareholder Rights Plan whereby each shareholder, in the event of certain takeover bids or other change-in-control transactions involving the acquisition of 20% or more of Agnico-Eagle's outstanding voting shares, has the right ("Rights") to purchase from Agnico-Eagle for an exercise price of C$80.00 that number of shares of Agnico-Eagle having an aggregate market price equal to twice the exercise price. Until such time as a triggering bid for control occurs, the Rights trade together with the existing common shares and will expire on May 10, 2009.

The Company has reserved for issuance 10,267,919 common shares in the event that the senior convertible debentures are converted into common shares and 6,900,000 common shares in the event that the warrants are exercised.

In 2002 the Company declared dividends on its common shares of $0.03 per share (2001 - $0.02 per share; 2000 - $0.02 per share). Under the terms of the Company's revolving credit facility, the Company's dividend payments were restricted to an aggregate of $3 million per year. Subsequent to December 31, 2002, the Company negotiated changes to the original terms resulting in an increase to the dividend restriction amount to $16 million per year.

(B) FLOW-THROUGH SHARE PRIVATE PLACEMENTS In 2002, Agnico-Eagle issued 40,161 (2001 - 200,000; 2000 - 475,000) common shares under a flow-through share private placement for proceeds of $0.6 million (2001 - $2.5 million; 2000 - $2.1) net of share issue costs. Agnico-Eagle has agreed to use such proceeds for the purpose of incurring Canadian exploration expenditures in connection with its 2003 exploration activities. In 2002, the Company renounced to its investors C$1.0 million (2001 - C$4.0 million; 2000 - C$5.5 million) of such expenses for income tax purposes.

(C) PUBLIC OFFERING In 2002, Agnico-Eagle issued 13,800,000 units, each consisting of one common share and one-half warrant, at $13.90 per unit for net proceeds of $182.9 million, after deducting share issue costs of $9.1 million (no related income tax effect). $167.2 million of the net proceeds was allocated to common shares and the remaining $15.7 million was allocated to the warrants. Each whole warrant entitles the holder to purchase one common share at a price of $19.00, subject to certain adjustments summarized in the prospectus. Warrants are exercisable at any time prior to November 14, 2007, after which the warrants will expire and be of no value. The Company will inform warrant holders, through a press release, of pending expiry at least 90 days prior to the expiry date. If all outstanding warrants are exercised, the Company would issue an additional 6,900,000 common shares.

In 2001, Agnico-Eagle issued 10,350,000 common shares at $7.90 per share for net proceeds of $76.2 million, after deducting share issue costs of $5.6 million (no related income tax effect).

(D) ACCUMULATED OTHER COMPREHENSIVE LOSS The opening balance in accumulated other comprehensive loss in 2000 of $(15.9) million resulted from Agnico-Eagle adopting the US dollar as its principal currency of measurement. Prior to this change, the Canadian dollar had been used as the reporting currency. Prior period's consolidated financial statements were translated into US dollars by the current rate method using the year end or the annual average exchange rate where appropriate. This translation approach was applied from January 1, 1994. This translation gave rise to a deficit in the cumulative translation adjustment account within accumulated other comprehensive loss as at December 31, 2002, 2001 and 2000.

Effective January 1, 2001, the Company prospectively adopted the new accounting recommendations made under FAS 133 and FAS 137 on accounting for derivative financial instruments and hedging. Upon the adoption of FAS 133, the Company recorded a cumulative adjustment to accumulated other comprehensive loss of $2.8 million. The Company has designated its gold put contracts as cash flow hedges and as such, unrealized gains and losses ($5.5 million loss in 2002) on these contracts are recorded in accumulated other comprehensive loss.

(E) NET INCOME (LOSS) PER SHARE
The following table provides the weighted average number of common shares used in the calculation of basic and diluted income (loss) per share:

	2002	2001	2000
Weighted average number of common shares outstanding - basic	70,821,081	61,333,630	54,446,693
Add: Dilutive impact of employee stock options	810,182	--	--
Weighted average number of common shares outstanding - diluted	71,631,263	61,333,630	54,446,693

In 2001 and 2000, the employee stock options and convertible debentures were anti-dilutive and thus were not included in the calculation of diluted weighted average number of common shares outstanding. In 2002, both the convertible debentures and warrants were anti-dilutive and thus were excluded from the calculation of diluted income (loss) per share.

7. STOCK-BASED COMPENSATION

(A) 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. Under this plan, options are granted at the fair market value of the underlying shares on the date of grant. The number of shares subject to option for any one person may not exceed 5% of the Company's common shares issued and outstanding at the date of grant.

Up to May 31, 2001, the number of common shares reserved for issuance under the ESOP was 6,000,000 and options granted under the ESOP had a maximum term of ten years. On April 24, 2001, the Compensation Committee of the Board of Directors adopted a policy pursuant to which options granted after that date shall have a maximum term of five years. On May 31, 2001, the shareholders approved a resolution to increase the number of common shares reserved for issuance under the ESOP by 2,000,000 to 8,000,000.

Of the 1,358,500 options granted under the ESOP in 2002, 1,299,500 options granted vest immediately and expire in the year 2007. The remaining options vest over periods ranging from two to five years and expire between 2007 and 2012. Of the options granted in 2002, 1,303,500 vest immediately and are exercisable on the date of grant. The additional 55,000 options are exercisable on each anniversary of the grant with 40,000 exercisable in 2003 and 15,000 in 2004. Of the total options granted in 2001, 181,250 have a vesting period of four years, in which 20% or 36,250 vest immediately and are exercisable on the date of the grant, while the remaining 80% or 145,000 options are exercisable in equal installments, on each anniversary date of the grant, over a four-year term. The remaining 10,000 options granted in 2001 were granted for a term of five years and are exercisable on the date of grant.

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

	2002		2001		2000	
	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding, beginning of year	3,660,200	C$12.04	3,895,050	C$11.73	2,790,750	C$12.28
Granted	1,358,500	17.07	191,250	9.49	1,122,000	10.33
Exercised	(1,927,500)	11.82	(426,100)	8.31	(13,700)	7.29
Cancelled	(30,850)	12.06	-	-	(4,000)	17.75
Outstanding,end of year	3,060,350	C$14.47	3,660,200	C$12.04	3,895,050	C$11.73
Options exercisable at end of year	2,682,500		3,049,300		2,902,050	

The following table summarizes information about Agnico-Eagle's stock options outstanding at December 31, 2002:

	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
C$ 6.55 - C$ 9.30	357,750	6.1 years	C$ 8.01	258,700	C$ 8.01
C$10.20 - C$15.75	882,550	6.9 years	C$10.54	658,750	C$10.59
C$15.93 - C$18.75	1,559,050	3.0 years	C$16.80	1,559,050	C$16.80
C$21.72 - C$25.60	261,000	4.2 years	C$22.64	206,000	C$22.86
C$ 6.55 - C$24.87	3,060,350	4.6 years	C$14.47	2,682,500	C$14.94

The Company has reserved for issuance 3,060,350 common shares in the event that these options are exercised.

The number of un-optioned shares available for granting of options as at December 31, 2002, 2001 and 2000 was 789,910, 2,117,560, and 308,810, respectively.

The Company accounts for its stock option grants based on the recognition and measurement principles of Accounting Principles Board Opinion No. 25 and related interpretations. The application of Opinion No. 25 results in no compensation expense being recorded in Agnico-Eagle's circumstances as all options granted had an

exercise price equal to the market value of the underlying stock on the date of grant. The following table illustrates the effect on net income (loss) and net income (loss) per share as if the Company had applied the fair value recognition provisions of FAS 123 to account for its stock option grants.

	2002	2001	2000
Net income (loss) for the year, as reported	$ 4,023	$(5,718)	$(6,868)
Deduct: Total stock-based employee compensation determined under fair value based method for all awards	(2,621)	(624)	(2,323)
Pro forma net income (loss)	$ 1,402	$(6,342)	$(9,191)
Net income (loss) per share:			
Basic and diluted,as reported	$ 0.06	$ (0.09)	$ (0.12)
Basic and diluted,pro-forma	$ 0.02	$ (0.10)	$ (0.17)

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

	2002	2001	2000
Risk free interest rate	2.6%	5.5%	6.5%
Expected life of options (in years)	2.1	7.5	8.5
Expected volatility of Agnico-Eagle's share price	36.9%	46.2%	46.3%
Expected dividend yield	0.19%	0.46%	0.46%

The Black-Scholes option-pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. As the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions, such as expected stock market price volatility, can materially affect the fair value estimate, in management's opinion, the existing pricing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

(B) INCENTIVE SHARE PURCHASE PLAN
On June 26, 1997, the shareholders approved an Incentive Share Purchase Plan (the "Purchase Plan") to encourage directors, officers and employees ("Participants") to purchase Agnico-Eagle's common shares at market values.

Under the Purchase Plan, eligible employees may contribute up to 10% of their basic annual salaries and directors may contribute a maximum of C$7,500. For both employees and directors, Agnico-Eagle contributes an amount equal to 50% of each Participant's contribution.

In 2002, 138,747 common shares were issued under the Purchase Plan (2001 -209,826; 2000 - 248,769) for proceeds of $2.1 million (2001 - $1.8 million; 2000 - $1.5 million). In June 2002, shareholders approved an increase in the maximum amount of shares reserved for issuance under the Purchase Plan to 2,500,000 from 1,000,000. Agnico-Eagle has reserved for issuance 1,567,514 common shares (2001 -206,261;2000 - 413,087) under the Purchase Plan.

8. F U T U R E I N C O M E A N D M I N I N G T A X E S Income and mining taxes expense (recovery) is made up of the following components:

	2002	2001	2000
Current provision			
Provincial mining duties	$ (2,779)	$(2,201)	$(1,988)
Future provision			
Federal income taxes	--	1,405	(1,640)
Provincial income taxes	--	332	(983)
Provincial mining duties	2,418	2,603	--
	2,418	4,340	(2,623)
	$ (361)	$ 2,139	$(4,611)

Cash income and mining taxes recovered in 2002 was $0.8 million (2001 - $0.6; 2000 - $1.8 million).

Future income and mining taxes expense (recovery) has been provided on temporary differences which consist of the following:

	2002	2001	2000
Amortization	$ (587)	$ (265)	$(1,848)
Exploration and development	3,152	2,676	1,004
Other	(147)	1,929	(1,779)
	$ 2,418	$ 4,340	$(2,623)

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

	2002	2001	2000
Combined federal and composite provincial tax rates	39.9%	(41.3)%	(41.0)%
Increase (decrease) in taxes resulting from:			
Provincial mining duties	(7.8)	14.5	(18.1)
Resource allowances	(101.7)	(25.2)	(4.2)
Non-deductible expenses	6.5	24.6	4.1
Temporary differences for which no benefit was recognized	78.7	83.0	6.2
Unrecognized benefit of non-capital losses	(23.4)	19.3	1.4
Actual rate as a percentage of pre-tax loss	(7.8)%	74.9%	(51.6)%

Agnico-Eagle and its subsidiaries have non-capital tax loss carryforwards of approximately C$37 million, which may be carried forward to reduce future years' taxable income. These losses expire as follows:

2004	C$	5,171
2005		8,188
2006		17,487
2007		6,084
2008		46
	C$	36,976

Agnico-Eagle and its subsidiaries have approximately C$325 million of cumulative Canadian exploration and development expenses available indefinitely to reduce future years' taxable income.

As at December 31, 2002 and 2001, Agnico-Eagle's future tax assets and liabilities are as follows:

	2002		2001	
	ASSETS	LIABILITIES	Assets	Liabilities
Non-current:				
Income taxes:				
Plant and equipment	$ 8,563	$ --	$ 5,673	$ --
Deferred expenditures	14,200	--	13,854	--
Net operating and capital loss carry-forwards	11,126	--	26,897	--
Other	4,480	--	5,887	--
Valuation allowance	(14,479)	--	(28,421)	--
Total non-current	$ 23,890	$ --	$ 23,890	$ --
Mining duties:				
Plant and equipment	$ 360	$ 6,374	$ 428	$ 6,210
Deferred expenditures	3,869	14,897	6,961	12,642
Other	--	(382)	11	(535)
Valuation allowance	(4,229)	--	(7,400)	--

Total non-current	$ --	$ 20,889	$ --	$ 18,317
Non-current future income and mining tax assets and liabilities	$ 23,890	$ 20,889	$ 23,890	$ 18,317

At January 1, 2002, the valuation allowance, a reserve against future income and mining tax assets recorded in the accounts, was $35.8 million. In 2002, the valuation allowance decreased by $17.1 million primarily as a result of the utilization of certain future tax assets for which a reserve had been made.

9 . F I N A N C I A L I N S T R U M E N T S Agnico-Eagle enters into financial instruments with a number of financial institutions in order to hedge underlying revenue and cost exposures arising from commodity prices, interest rates and foreign currency exchange rates. Financial instruments which subject Agnico-Eagle to market risk and concentration of credit risk consist primarily of cash and short-term investments and option contracts for currencies, interest rates and precious and base metals. Agnico-Eagle places its cash 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.

Agnico-Eagle's risk management policy attempts to mitigate the risks associated with fluctuating metal prices and foreign exchange rates. Agnico-Eagle uses over-the-counter put and call option metals and foreign exchange contracts to hedge its net revenues from mining operations and costs of production, respectively. These instruments are straight forward contracts and involve little complexity. Agnico-Eagle is exposed to credit risk in the event of non-performance by counterparties in connection with its currency and metal option contracts. Agnico-Eagle does not obtain any security to support financial instruments subject to credit risk, but mitigates the risk by dealing with a diverse group of creditworthy counterparties and, accordingly, does not anticipate loss for non-performance. The Company continually monitors the market risk of its hedging activities.

GOLD PUT OPTION CONTRACTS

Agnico-Eagle's portfolio of put option contracts was entered into to establish a minimum price which the Company will receive from the sale of its gold production. The contracts expire monthly based on planned production volumes. These instruments have been designated as hedges under the criteria established by FAS 133 and FAS 137 on accounting for derivative financial instruments and hedging. At December 31, 2001, these option contracts did not qualify as a designated hedge under FAS 133. Accordingly, changes in fair value were recognized as part of the Company's net loss. On January 1, 2002, the Company implemented a new treasury management system that complies with the new documentation requirements of FAS 133. As a result, these option contracts now qualify for hedge accounting. In 2002, changes in the fair value of these option contracts were recognized as part of accumulated other comprehensive loss.

Gains and losses on put option contracts are reclassified from accumulated other comprehensive loss into income in the same period the forecasted transaction affects income. The Company does not expect to reclassify any amounts into income from accumulated other comprehensive loss in 2003.

SILVER AND BASE METAL OPTION CONTRACTS

Agnico-Eagle's silver and base metal derivatives portfolio was entered into to establish price ranges for the Company's byproduct metals in order to eliminate the negative effects of price fluctuations. The contracts expire monthly based on planned production volumes. None of these instruments qualify for hedge accounting under FAS 133 and therefore changes in the fair value of the portfolio are recognized as part of net income (loss) in the line item in which the hedged item is recorded.

As at December 31, 2002, Agnico-Eagle's derivative financial instruments relating to metals consisted of the following:

	Expected Maturity				
	2003	2004	2005	2006	2007
GOLD					
Put options purchased					
Amount hedged (ounces)	--	136,644	190,020	152,340	131,280
Average price ($/ounce)	--	$ 260	$ 260	$ 260	$ 260
SILVER					
Call options sold					
Amount hedged (ounces in 000s)	1,956	2,158	2,060	--	--
Average price ($/ounce)	$ 5.50	$ 5.50	$ 5.50	--	--
Call options purchased					
Amount hedged (ounces in 000s)	1,956	2,158	2,060	--	--
Average price ($/ounce)	$ 7.00	$ 7.00	$ 7.00	--	--
COPPER					
Call options sold					
Amount hedged (lbs. in 000s)	13,651	13,757	13,651	--	--
Average price ($/lb.)	$ 0.81	$ 0.81	$ 0.81	--	--
Call options purchased					
Amount hedged (lbs. in 000s)	13,651	13,757	13,651	--	--
Average price ($/lb.)	$ 1.00	$ 1.00	$ 1.00	--	--

Subsequent to year end,the entire silver and copper hedge positions were unwound at a net cost of nil.

FOREIGN CURRENCY HEDGING PROGRAM

Agnico-Eagle generates almost all of its revenues in US dollars. The Company's LaRonde Mine and Exploration Division both have Canadian dollar requirements for capital and operating expenditures. Agnico-Eagle entered into a series of put and call option contracts to hedge a monthly sum of Canadian dollar expenditures based on forecasted Canadian dollar requirements. None of these instruments qualify for hedge accounting under FAS 133 and therefore changes in the fair value of the portfolio are recognized as either part of net income (loss) in the line item in which the hedged item is recorded or as part of the capitalized cost of assets purchased.

At December 31, 2002, Agnico-Eagle's consolidated foreign-currency hedging program consisted of the following:

	Expected Maturity			
	2003	2004	2005	2006
US$ CALL OPTIONS SOLD				
Amount (thousands)	$ 54,000	$ 48,000	$ 12,000	$ 12,000
US$/C$ weighted average exchange rate	1.5995	1.5420	1.6050	1.6475
US$ PUT OPTIONS PURCHASED				
Amount (thousands)	$ 54,000	$ 48,000	$ 12,000	$ 12,000
US$/C$ weighted average exchange rate	1.5285	1.5025	1.5000	1.5600
US$ PUT OPTIONS SOLD				
Amount (thousands)	$ -	$ 12,000	$ 12,000	$ -
US$/C$ weighted average exchange rate	-	1.3500	1.3700	-

At December 31, 2002, the aggregate unrealized gain of the net market value of Agnico-Eagle's metals derivative position amounted to nil (2001 - $4.6 million). The Company's unrealized deficit on its foreign exchange hedge position at December 31, 2002 was $3.5 million (2001 - $4.3 million). Since the Company uses only over-the-counter instruments, the fair value of individual hedging instruments is based on readily available market values.

Agnico-Eagle's exposure to interest rate risk at December 31, 2002 relates to its short-term investments of $144.7 million (2001 - $19.2 million). The Company's short-term investments have a fixed weighted average interest rate of 2.29% (2001 - 3.8%) for a period of 37 days (2001 - 28 days).

In addition, Agnico-Eagle has outstanding letters of credit amounting to C$11.8 million relating to Executives'Plan (2001 - C$8.0 million) for which fees vary up to 2.25% per annum.

The fair values of Agnico-Eagle's current financial assets and liabilities approximate their carrying values as at December 31, 2002. The fair value of Agnico-Eagle's senior convertible debentures at December 31, 2002 is $178.3 million (2001 - $113.7 million).

10 . O T H E R F I N A N C I A L I N F O R M A T I O N

	2002	2001	2000
Wages payable	$ 775	$ 923	$ 720
Accrued liabilities	$1,335	$1,889	$2,281

NOTES ON MINERAL RESERVES AND RESOURCES

1.The Company's mineral reserves and resources on pages 14 and 15 are calculated as of December 31, 2002 in accordance with National Instrument 43-101, as required by Canadian securities authorities. An appropriate cut-off grade has been used based on long-term economic assumptions of:
gold, $300/oz.; silver $5.00/oz.; zinc $0.50/lb.; and a US/Canadian dollar exchange rate of C$1.50. Some drilling information received subsequent to year end has been used in the estimate. The estimate incorporates current and/or expected mine plans, cost levels and metal recoveries. The qualified person responsible for the estimate is Marc H. Legault, P. Eng., Manager, Project Evaluations of Agnico-Eagle.

2.A mineral reserve is that part of a measured and indicated resource that has been demonstrated as economically mineable by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, economic extraction can be justified. A reserve includes mining dilution and allows for losses that may occur when the material is mined. Quantity, grade, densities, shape, and physical characteristics of a reserve are so well established that they can be estimated with confidence, or a level of confidence, sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit.

3.A mineral resource is a concentration of mineralization in such quantity and grade that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. A measured and indicated resource is that part of a mineral resource that can be estimated with confidence, or a level of confidence, sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and test information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. An inferred mineral resource is that part of a resource for which quantity and grade can be estimated and reasonably assumed on the basis of geological evidence. The inferred estimate is based on more limited information and sampling gathered through appropriate techniques. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

4.The verification, quality assurance and quality control procedures and a discussion of the factors that may materially affect reserve and resource estimates may be found in the 2002 Ore Reserve Report on the Company website's SEDAR section at www.agnico-eagle.com.

DIRECTORS AND OFFICERS

D I R E C T O R S

JAMES D. NASSO (1)
Chairman,
Agnico-Eagle
Mines Limited

SEAN BOYD
President and
Chief Executive Officer,
Agnico-Eagle
Mines Limited

JOHN T. CLEMENT, Q.C.
Vice-President,
Agnico-Eagle
Mines Limited

LEANNE M. BAKER
Mining Industry Consultant

DOUGLAS R. BEAUMONT (2) (3)
Professional Engineer

DR. ALAN GREEN (2) (3)
Dentist

BERNARD KRAFT (1) (3)
Chartered Accountant

MEL LEIDERMAN (1)
Chartered Accountant

ERNEST SHERIFF (2)
Prospector

O F F I C E R S

SEAN BOYD
President and
Chief Executive Officer

EBE SCHERKUS
Executive Vice-President and
Chief Operating Officer

DAVID GAROFALO
Vice-President, Finance and
Chief Financial Officer

ANTON ADAMCIK
Vice-President,
Environment

DON ALLAN
Vice-President,
Corporate Development

ALAIN BLACKBURN
Vice-President,
Exploration

JOHN T. CLEMENT, Q.C.
Vice-President

BARRY LANDEN
Vice-President,
Corporate Affairs

(1) Member of Audit Committee
(2) Member of Corporate Governance Committee
(3) Member of Compensation Committee

KEY PERSONNEL

H E A D O F F I C E

BEN AU
Director,
Internal Audit and
Administration

MARC LEGAULT
Manager,
Project Evaluation

CLAUDIO MANCUSO
Manager,
Financial Reporting

L A R O N D E

PAUL HENRI GIRARD
Mine Manager

DANIEL RACINE
Assistant Mine Manager

JEAN ROBITAILLE
Manager of Metallurgy
and Concentrate Marketing

MICHEL LECLERC
Mine Superintendent

MARCEL BORDELEAU
Chief Accountant

CLAUDE LEVEILLEE
Human Resources

JEAN BASTIEN
Chief Engineer

LOUISE GRONDIN
Environmental
Superintendent

GUY GOSSELIN
Chief Geologist

DENIS COUTURE
Mill Superintendent

PHILIPPE AUTHIER
Mechanical Superintendent

RICHARD GRENIER
Chief Electrician

C A N A D I A N E X P L O R AT I O N

GRAHAM LONG
Manager

U . S . E X P L O R A T I O N

MARK ABRAMS
Manager

CORPORATE INFORMATION

EXECUTIVE AND REGISTERED OFFICE

145 King Street East
Suite 500
Toronto, ON M5C 2Y7
Tel: 416 947 1212
Fax: 416 367 4681

MINE OFFICE - LARONDE DIVISION

20 Rue 395
Cadillac, QC J0Y 1C0
Tel: 819 759 3644
Fax: 819 759 3641

EXPLORATION DIVISIONS CANADA

765 Chemin de la Mine Goldex
C.P. 87
Val d'Or, QC J9P 4N9
Tel: 819 874 5980
Fax: 819 874 3318

UNITED STATES

4757 Caughlin Parkway
Reno, Nevada 89509 USA
Tel: 775 828 6070
Fax: 775 828 6089

AUDITORS

Ernst & Young LLP
222 Bay Street
Toronto, ON M5K 1J7

FORM 20-F

A copy of the Company's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission is available from the Company. Alternatively, please download it from our website www.agnico-eagle.com.

REGISTRAR AND STOCK TRANSFER AGENT

Questions on stock transfer, change of address, lost certificates and dividends should be sent to:

Computershare Investor Services
100 University Avenue
9th Floor
Toronto, ON M5J 2Y1
Tel: 1 800 564 6253
E-mail:
caregistryinfo@computershare.com

INVESTOR CONTACT

Barry Landen
Vice-President,
Corporate Affairs
Tel: 416 947 1212
Fax: 416 367 4681
E-mail:
blanden@agnico-eagle.com

STOCK EXCHANGE LISTINGS

New York Stock Exchange
Trading symbol: AEM

The Toronto Stock Exchange
Trading symbol: AGE
Convertible Notes
due 2012 AGE.db.u
Agnico-Eagle Warrants
AGE.WT.U
expire November 2007

NASDAQ
Agnico-Eagle Warrants
AEMLW
expire November 2007

ANNUAL MEETING OF SHAREHOLDERS

June 19, 2003, 10:30 a.m.
Toronto Hilton
Toronto 1 Room
145 Richmond Street West
Toronto, Ontario, Canada

INFORMATION ON GOLD

For more information on gold you can visit the World Gold Council's website at www.gold.org

MINING GLOSSARY

For a glossary of mining terms and easy to understand explanations of mining operations and exploration please visit www.northernminer.com.

Pour obtenir un exemplaire de la version francaise de ce rapport, veuillez ecrire au Chef des finances, MINES AGNICO-EAGLE LIMITEE

Bureau 500
145 King Street East
Toronto (Ontario) M5C 2Y7

DIVIDEND REINVESTMENT PLAN (DRIP)

Agnico-Eagle welcomes you to participate in our Dividend Reinvestment Plan. Please visit us at www.agnico-eagle.com for further details.

[PHOTO]

STRENGTH IN GOLD

o Unhedged
o A track record of growth
o A large orebody to create future growth
o Discoveries on our regional land position
o Low-cost production
o Experienced people
o Quebec - a mining-friendly province
o A well-funded balance sheet

AGNICO-EAGLE MINES LIMITED
145 King Street East, Suite 500
Toronto, On M5C 2Y7 Canada
Tel: 416 947 1212
Fax: 416 367 4681
Web: www.agnico-eagle.com

QuickLinks -- Click here to rapidly navigate through this document

AGNICO-EAGLE MINES LIMITED

Suite 500
145 King Street East
Toronto, Ontario
M5C 2Y7

2003 ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders of Agnico-Eagle Mines Limited (the "Corporation") will be held in the Toronto I Room, Toronto Hilton, 145 Richmond Street West, Toronto, Ontario, Canada, on Thursday, June 19, 2003 at 10:30 a.m. (Toronto time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation as at and for the year ended December 31, 2002, together with the report of the auditors thereon;

2. to elect directors;

3. to appoint auditors and authorize the directors to fix their remuneration; and

4. to transact such further and other business as may properly come before the meeting or any adjournment thereof.

Full particulars of the foregoing matters are set forth in the accompanying management information circular. A copy of the Annual Report of the Corporation containing the consolidated financial statements of the Corporation as at and for the year ended December 31, 2002, together with the report of the auditors thereon, also accompanies this notice.

Shareholders are invited to attend the meeting. Shareholders of record at the close of business on May 6, 2003 will be entitled to receive notice of and vote at the meeting, except to the extent that a person has transferred any common shares of the Corporation after that date and the transferee of those common shares properly establishes ownership of such common shares and requests, not later than the commencement of the meeting, that the transferee's name be included in the list of shareholders eligible to vote at the meeting, in which case the transferee is entitled to vote such common shares at the meeting. As described in the accompanying management information circular and the form of proxy enclosed herewith, proxies to be used at the meeting may be (1) returned by mail or delivery to Computershare Trust Company of Canada or the Corporation, (2) transmitted by telephone or (3) transmitted via the Internet, in each case at least 48 hours prior to the Meeting.

DATED at Toronto, Ontario, this 23rd day of April, 2003.

BY ORDER OF THE BOARD

BARRY LANDEN

Vice-President, Corporate Affairs

AGNICO-EAGLE MINES LIMITED

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by management of Agnico-Eagle Mines Limited (the "Corporation") for use at the annual meeting of the shareholders of the Corporation or any adjournment thereof (the "Meeting") to be held in the Toronto I Room, Toronto Hilton, 145 Richmond Street West, Toronto, Ontario, Canada, on Thursday, June 19, 2003, at 10:30 a.m. (Toronto time) for the purposes set forth in the notice of meeting (the "Notice") accompanying this management information circular (the "Circular"). While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The cost of this solicitation will be borne by the Corporation. Unless otherwise stated, all information in this Circular is given as of April 23, 2003 and all dollar amounts are stated in Canadian dollars.

APPOINTMENT OF PROXIES

The individuals named in the accompanying form of proxy are the President and Chief Executive Officer and the Vice-President, Corporate Affairs of the Corporation. **A shareholder has the right to appoint a person (who need not be a shareholder) other than the persons named in the proxy to represent him at the Meeting either by inserting such person's name in the blank space provided in the form of proxy and striking out the other names. A form of proxy will not be valid unless it is completed and returned as set out below at least 48 hours prior to the commencement of the Meeting.**

Registered Shareholders

In addition to voting in person at the Meeting, a registered shareholder (a shareholder whose name appears on its share certificates) may vote by mail, by telephone or via the Internet.

To vote by mail: complete, sign and date the form of proxy and return in the enclosed envelope to Computershare Trust Company of Canada or the Corporation's registered office.

To vote by telephone: (available in Canada and the United States only) call the toll-free phone number specified on the enclosed form of proxy from a touch tone telephone and, when prompted, enter your Holder Account Number and Proxy Access Number set out on the form of proxy and then listen for voting instructions.

To vote via the Internet: go to the website specified on the enclosed form of proxy enter the Holder Account Number and Proxy Access Number set out on the form of proxy and then follow the voting instructions on the screen. If your form of proxy does not contain a Holder Account Number or a Proxy Access Number you will not be able to vote by telephone or via the Internet.

If you vote by telephone or via the Internet, DO NOT complete or return the proxy form. Voting by mail is the only method for voting holdings held in the name of a corporation or holdings being voted on behalf of another individual. Voting by mail or via the Internet are the only methods by which a holder may appoint a person as proxy other than the management nominees named on the form of proxy.

Non-Registered Shareholders

A non-registered shareholder (a shareholder whose shares are registered in the name of an intermediary such as a bank, trust company, securities broker, trustee or custodian or a clearing agency in which the intermediary participates) may vote (1) by using the form of proxy or the request for voting instruction form, if one has been provided by your intermediary, or (2) by attendance at the Meeting (after having completed and returned a form of proxy or voting instruction form, as the case may be, as set out below in "— To vote in person at the Meeting"). **Each intermediary has its own procedures which should be carefully followed by non-registered shareholders to ensure that their shares are voted at the Meeting.** These procedures generally allow voting by telephone, via the Internet, by mail or by fax and the applicable instructions for each such method of voting are set out in the form of proxy or voting instruction form.

To vote in person at the Meeting: (i) if you have received a form of proxy from an intermediary, follow the instructions set out on the form of proxy, appoint yourself proxyholder, and return the form of proxy in accordance with the instructions set out on the form or (ii) if you have received a voting instruction form from an intermediary, follow the instructions set out on the voting instruction form, insert your name as appointee and return the voting instruction form in accordance with the instructions set out on the form. Do not otherwise complete the proxy or voting instruction form sent to you as your vote will be taken and counted at the Meeting.

To vote by proxy or by giving a voting instruction: (i) if you received a form of proxy from an intermediary, follow the instructions set out on the form of proxy to complete and return the form of proxy in accordance with the instructions set out on the form of proxy or (ii) if you have received a voting instruction form from an intermediary, follow the instructions set out on the voting instruction form to complete and return the form in accordance with the instructions set out on the voting instruction form.

REVOCATION OF PROXIES

Proxies given by shareholders for use at the Meeting may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or his attorney authorized in writing, or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, with the Corporation at its registered office, Suite 500, 145 King Street East, Toronto, Ontario M5C 2Y7, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

DISCRETIONARY AUTHORITY AND VOTING OF PROXIES

On any ballot that may be called for, the common shares represented by proxies in favour of the persons named by management will be voted for, against or withheld from voting on, the matters identified in the form of proxy, in each case in accordance with the instructions of the shareholder. **In the absence of any instructions on the form of proxy, the persons named in the enclosed form of proxy intend to vote the common shares represented by proxies (i) for the election of management's nominees as directors; (ii) for the appointment of management's nominees as the auditors and the authorization of the directors to fix the remuneration of the auditors; and (iii) in accordance with management's recommendations with respect to amendments or variations of the matters set out in the Notice or any other matters which may come before the Meeting. The proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of the matters set out in the Notice or any other matters that may properly come before the Meeting.**

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The record date (the "Record Date") for the determination of shareholders entitled to receive notice of and vote at the Meeting has been fixed as May 6, 2003.

As of the date of this Circular, 83,768,994 common shares of the Corporation are issued and outstanding. Each common share carries the right to one vote and all common shares may be voted at the Meeting. Unless otherwise specified, the affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Circular.

In accordance with the provisions of the *Business Corporations Act* (Ontario) (the "OBCA"), the Corporation will prepare a list of holders of common shares on the Record Date. Each holder of common shares named in the list will be entitled to vote the common shares shown opposite his name on the list at the Meeting, except to the extent that:

(a) the shareholder has transferred any of his common shares after the Record Date; and

(b) the transferee of those common shares produces properly endorsed certificates evidencing the common shares or otherwise establishes that he owns such common shares and demands, not later

than the time at which the Meeting commences, that his name be included on the list, in which case the transferee is entitled to vote his common shares at the Meeting.

Fidelity Management & Research Company, Fidelity Management Trust Company and Fidelity International Limited have filed reports with securities regulators stating that they collectively have control over 12,235,214 common shares of the Corporation (14.40%) and that FMR Corp. may be deemed a joint actor with each of the above entities as certain officers of FMR Corp. are trustees of certain of such entities. As at the date hereof, to the knowledge of the directors and senior officers of the Corporation, no other person or corporation beneficially owns or exercises control or direction over common shares of the Corporation carrying more than 10% of the votes attached to common shares of the Corporation.

SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the number of common shares of the Corporation owned by each director, nominee for election as director and executive officer of the Corporation as of April 23, 2003. In each case, the number of common shares listed in the table includes common shares purchased under the Corporation's Employee Stock Option Plan (the "ESOP"), the Incentive Share Purchase Plan (the "Incentive Plan") or on the open market but excludes common shares underlying immediately exercisable options.

	Number of Common Shares of the Corporation Beneficially Owned,

Name of Beneficial Owner	Controlled or Directed (Directly or Indirectly)
James D. Nasso, Director and Chairman of the Corporation	NIL
Sean Boyd, Director, President and Chief Executive Officer	128,506
John T. Clement, Director and Vice-President	4,825
Douglas R. Beaumont, Director	4,666
Dr. Alan Green, Director	83,251(1)
Bernard Kraft, Director	4,825
Ernest Sheriff, Director	9,825(2)
Leanne M. Baker, Director	NIL
Mel Leiderman, Director	NIL
Eberhard Sherkus, Executive Vice-President and Chief Operating Officer	42,909
David Garofalo, Vice-President, Finance and Chief Financial Officer	22,834
Barry Landen, Vice-President, Corporate Affairs	50,345
Anton Adamcik, Vice-President, Environment	3,127
Donald G. Allan, Vice-President, Corporate Development	233
Alain Blackburn, Vice-President, Exploration	1,287

Notes:

(1) Including 18,804 shares held by Bonaventure Uranium Mines Limited, over which Dr. Green exercises direction.

(2) Including 5,000 common shares held by Tower Financial Corporation Limited, a corporation wholly-owned by Ernest Sheriff.

ELECTION OF DIRECTORS

The articles of the Corporation provide that the number of directors shall be a minimum of five and a maximum of 12. By special resolution of the shareholders of the Corporation approved at the annual and special meeting of the Corporation held on June 27, 1996, the shareholders determined the number of directors within such minimum and maximum to be 12 until changed by a resolution of the Board of Directors. On April 23, 2003, the Board of Directors passed a resolution that set the number of directors of the Corporation at eight, effective at the end of the Meeting.

Listed in the chart below are the names of the eight directors of the Corporation who are proposed as nominees for election as directors of the Corporation to serve until the next annual meeting of shareholders of the Corporation after the Meeting or until their successors are elected or appointed. All of the nominees currently serve as directors of the Corporation, including Leanne M. Baker and Mel Leiderman, who were appointed by the board of directors effective January 1, 2003. Under the Corporation's retirement policy (the "Retirement Policy"), directors elected or appointed before April 14, 1998 are required to retire at the age of 75 and directors elected or appointed on or after April 14, 1998 are required to retire at the age of 70. Irving Dobbs and Wencel Hubacheck, each of whom is over the age of 75, retired on December 31, 2002 and will not stand for re-election. John T. Clement, Q.C., currently a Vice-President and Director of the Corporation, will turn 75 in August 2003 and, accordingly, will not stand for re-election at the Meeting and will retire from his position as Vice-President of the Corporation at the conclusion of the Meeting. He will, however, continue to serve on the board of Sudbury Contact Mines Limited ("Sudbury Contact"), the Corporation's 63.7%-owned subsidiary. The information set out above as to the number of common shares of the Corporation owned by nominees for election as directors is not within the knowledge of management and has been furnished by the nominees.

On any ballot that may be called relating to the election of directors, the persons named as proxies in the enclosed form of proxy intend to vote the common shares represented by proxies in favour of management nominees for the election of such persons as directors of the Corporation, unless a shareholder has specified in his proxy that his common shares are to be withheld from voting for the election of directors. In the event that any vacancies occur in the slate of such nominees, the persons named as proxies in the enclosed form of proxy intend to vote the common shares represented by such proxies for the election of such other person or persons as directors in accordance with the best judgment of management.

NOMINEES FOR ELECTION AS DIRECTOR

	Position and Office with the Corporation or Significant Affiliate	Date since which a Director of the	Principal Occupation and Name

Name	(1)	Corporation	of Employer
LEANNE M. BAKER	Director of the Corporation	January 1, 2003	Consultant to the mining and financial services industries (2)
DOUGLAS R. BEAUMONT, P.ENG. (3)(4)	Director of the Corporation	February 25, 1997	Retired (formerly Senior Vice-President, Process Technology, Kilborn SNC Lavalin)
SEAN BOYD, C.A. (5)	President and Chief Executive Officer and Director of the Corporation and Sudbury Contact	April 14, 1998	President and Chief Executive Officer of the Corporation
DR. ALAN GREEN (3)(4)	Director of the Corporation	August 8, 1995	Dentist, self-employed
BERNARD KRAFT, C.A. (3)(6)	Director of the Corporation	March 12, 1992	Chartered Accountant, senior partner of Kraft and Partners, Chartered Accountants
MEL LEIDERMAN, C.A. (6)	Director of the Corporation	January 1, 2003	Chartered Accountant, managing partner of Lipton Wiseman Altbaum and Partners LLP
JAMES D. NASSO (6)	Chairman of the Corporation (7)	June 27, 1986	Retired (formerly President, Unilac Limited (manufacturer of infant formula))
ERNEST SHERIFF (4)	Director of the Corporation	March 29, 1996	Prospector, self-employed

Notes:

(1) Indicates all other major positions and offices within the Corporation or any of its significant affiliates currently held by the nominee. The only significant affiliate of the Corporation is Sudbury Contact, its 63.7%-owned subsidiary.

(2) Ms Baker became a mining industry consultant in 2002. Prior to that, Ms Baker spent 11 years with Salomon Smith Barney as an equity research analyst in the mining sector.

(3) Member of Compensation Committee.

(4) Member of Governance Committee.

(5) Mr. Boyd first joined the Corporation in 1985 as comptroller.

(6) Member of the Audit Committee.

(7) Mr. Nasso was appointed chairman of the board effective June 21, 2002.

APPOINTMENT OF AUDITORS

On any ballot that may be called relating to the appointment of auditors, the persons named as proxies in the enclosed form of proxy intend to vote the common shares represented by proxies in favour of management nominees for the appointment of the firm of Ernst & Young LLP, Chartered Accountants ("Ernst & Young") as the auditors of the Corporation and the authorization of the directors to fix the remuneration of the auditors, unless a shareholder signing such proxy specifies otherwise.

Representatives of Ernst & Young are expected to be present at the Meeting and available to respond to appropriate questions and will have the opportunity to make a statement if they desire to do so.

EXECUTIVE COMPENSATION

The executive officers of the Corporation are Sean Boyd, President and Chief Executive Officer, Eberhard Scherkus, Executive Vice-President and Chief Operating Officer, David Garofalo, Vice-President, Finance and Chief Financial Officer, Barry Landen, Vice-President, Corporate Affairs, Anton Adamcik, Vice-President, Environment, Donald Allan, Vice-President, Corporate Development, Alain Blackburn, Vice-President, Exploration and John T. Clement, Vice-President. Donald Allan and Alain Blackburn were appointed to their current positions in May and October of 2002, respectively.

Compensation of Officers

Summary Compensation Table

The following table sets forth a summary of compensation earned during each of the last three financial years by the Corporation's Chief Executive Officer at any time during 2002 and the four other most highly compensated executive officers (collectively, the "Named Executive Officers") who served as executive officers at the end of 2002:

	Annual Compensation			Long-Term Compensation Awards	
Name and Principal Position	**Year**	**Salary ($) (1)**	**Bonus ($)**	**Securities Under Options Granted by the Corporation and its Subsidiary (2)**	**All Other Compensation ($) (3)**
Sean Boyd	2002	555,481	225,000	225,000	27,001
President and				118,000 (Sudbury Contact) (4)	
Chief Executive Officer	2001	455,000	127,500	63,750	27,480
	2000	425,000	35,000	165,000	41,696
Eberhard Scherkus	2002	402,596	135,000	135,000	22,430
Executive Vice-President and				75,000 (Sudbury Contact) (4)	
Chief Operating Officer	2001	330,000	75,000	37,000	21,420
	2000	310,000	19,000	108,000	35,514
David Garofalo	2002	270,096	73,000	75,000	15,896
Vice-President, Finance and				50,000 (Sudbury Contact) (4)	
Chief Financial Officer	2001	220,000	37,000	18,000	13,060
	2000	182,000	9,000	51,000	21,665
Barry Landen	2002	214,038	56,000	50,000	13,830
Vice-President, Corporate Affairs				50,000 (Sudbury Contact) (4)	
	2001	194,000	34,000	17,000	13,642
	2000	182,000	8,000	39,000	22,698
Anton Adamcik	2002	193,654	47,000	35,000	11,598
Vice-President, Environment				50,000 (Sudbury Contact) (4)	
	2001	178,000	27,000	14,000	13,386
	2000	171,000	7,000	35,000	22,670

Notes:

(1) Each of Messrs. Boyd, Scherkus, Garofalo, Landen and Adamcik also serves as an executive officer of Sudbury Contact, a subsidiary of the Corporation. None of Messrs. Boyd, Scherkus, Garofalo, Landen or Adamcik receives separate or additional salary from Sudbury Contact as it is understood that their positions in the Corporation include the provision of services to Sudbury Contact. Minimum annual base salaries for Messrs. Boyd, Scherkus, Garofalo, Landen and Adamcik are specified under employment agreements with the Corporation. See "Employment Contracts/Termination Arrangements".

(2) Consists of options to purchase common shares of the Corporation granted under the Corporation's Employee Stock Option Plan.

(3) Consists of annual contributions made by the Corporation on behalf of the Named Executive Officers under the Corporation's defined contribution pension plan (see "Pension Arrangements"), premiums paid for term life insurance for the Named Executive Officers and benefits received under the Incentive Share Purchase Plan in the form of interest-free loans from the Corporation. All loans made under the Incentive Share Purchase Plan were repaid prior to December 31, 2002. The Corporation had also guaranteed loans to certain directors and officers, all of which were repaid prior to December 31, 2002 (see "Incentive Share Purchase Plan").

(4) Consists of options to purchase common shares of Sudbury Contact granted under Sudbury Contact's Employee Stock Option Plan to directors and officers of Sudbury Contact who are also officers of the Corporation.

Options to Purchase Securities

Under the ESOP, options to purchase common shares of the Corporation may be granted to directors, officers, employees of, and service providers to, the Corporation and its subsidiaries. The exercise price of options granted under the ESOP may not be less than the closing market price for the common shares of the Corporation on The Toronto Stock Exchange (the "TSX") at the time of grant. The ESOP provides that options will be exercisable during a period established by the Compensation Committee not to exceed ten years from the date such option was granted. The Compensation Committee adopted a policy on April 24, 2001 pursuant to which options granted after such date shall be exercisable during a period established by the Compensation Committee not to exceed five years from the date such option was granted.

The ESOP was amended on April 22, 1999 to permit the grant of options to eligible corporations controlled by an eligible optionee and eligible family trusts of eligible optionees. The amendments also provided for the assignment, subject to stock exchange approval on a case-by-case basis, of options by optionees to a limited category of eligible assignees. Included in this category are the spouse, minor children, minor grandchildren and registered retirement savings plans of an optionee, as well as eligible corporations and family trusts. The ESOP was also amended to provide that, in the event of a compulsory acquisition or going private transaction, an optionee will be entitled to participate in the transaction as if he or she had exercised options granted under the ESOP prior to completion of the transaction. The ESOP was further amended by resolution at the annual and special meeting of the shareholders of the Corporation on May 31, 2001 to increase the maximum number of common shares reserved for issuance under the ESOP from 6,000,000 to 8,000,000.

Aggregate Option Grants During Year Ended December 31, 2002

During the year ended December 31, 2002, an aggregate of 520,000 options to purchase common shares of the Corporation were granted to the Named Executive Officers under the ESOP and an aggregate of 343,000 options to purchase common shares of Sudbury Contact were granted to the Named Executive Officers under Sudbury Contact's Employee Stock Option Plan by reason of their position as officers and/or directors of Sudbury Contact. The following table sets forth a summary of grants of options to the Named Executive Officers during the year, all of which were granted on January 10, 2002.

Name	Common Shares Under Options Granted (#)	% of Total Option Grants in 2002 (1)	Exercise Price ($/Security)	Market Value of Securities Underlying Options on Date of Grant ($/Security)	Expiration Date
Sean Boyd	225,000 (2) 118,000 (3) (Sudbury Contact)	16.56% 17.23%	15.93 2.50	15.93 2.50	January 10, 2007 May 15, 2012
Eberhard Scherkus	135,000 (2) 75,000 (3) (Sudbury Contact)	9.94% 10.95%	15.93 2.50	15.93 2.50	January 10, 2007 May 15, 2012
David Garofalo	75,000 (2) 50,000 (3) (Sudbury Contact)	5.52% 7.30%	15.93 2.50	15.93 2.50	January 10, 2007 May 15, 2012
Barry Landen	50,000 (2) 50,000 (3) (Sudbury Contact)	3.68% 7.30%	15.93 2.50	15.93 2.50	January 10, 2007 May 15, 2012
Anton Adamcik	35,000 (2) 50,000 (3) (Sudbury Contact)	2.58% 7.30%	15.93 2.50	15.93 2.50	January 10, 2007 May 15, 2012

Notes:

(1) Consists of percentage relating to total option grants by the Corporation or by Sudbury Contact, as the case may be.

(2) Consists of options to purchase common shares of the Corporation granted under the Corporation's ESOP.

(3) Consists of options to purchase Sudbury Contact's common shares granted under Sudbury Contact's Employee Stock Option Plan to directors and officers of Sudbury Contact who are also officers of the Corporation.

Aggregate Option Exercises during Year Ended December 31, 2002 and Option Values as at December 31, 2002

The following table sets forth, on an aggregate basis, the number and value of securities acquired on the exercise of options during the year ended December 31, 2002 by the Named Executive Officers and the number and value of unexercised options as at December 31, 2002:

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($) (1)	Unexercised Options at December 31, 2002 Exercisable/Unexercisable	Value of Unexercised in-the-Money Options at December 31, 2002 ($) (2) Exercisable/Unexercisable
Sean Boyd	266,000 (3) NIL (4)	4,799,850 (3) NIL (4)	463,950/40,000 (3) 318,000/0 (Sudbury Contact) (4)	4,392,864/555,700 (3) 290,000 (4)
Eberhard Scherkus	149,000 (3) NIL (4)	2,454,200 (3) NIL (4)	331,200/30,000 (3) 200,000/0 (Sudbury Contact) (4)	3,182,386/427,400 (3) 181,250 (4)
David Garofalo	66,000 (3) NIL (4)	786,880 (3) NIL (4)	88,000/15,000 (3) 110,000/0 (Sudbury Contact) (4)	723,090/213,200 (3) 60,000 (4)
Barry Landen	35,000 (3) NIL (4)	358,600 (3) NIL (4)	165,000/11,000 (3) 125,000/0 (Sudbury Contact) (4)	1,542,100/161,480 (3) 87,000 (4)
Anton Adamcik	62,500 (3) NIL (4)	760,920 (3) NIL (4)	113,000/11,000 (3) 130,000/0 (Sudbury Contact) (4)	1,027,090/161,480 (3) 116,000 (4)

Notes:

(1) Aggregate Value Realized is equal to the aggregate of the differences between the exercise price of the options exercised and the market price of the underlying shares on the date of exercise. Market price of the underlying shares is determined on the basis of the closing price on the TSX of the common shares of the Corporation or Sudbury Contact, as the case may be.

(2) An option is in-the-money at December 31, 2002 if the market price of the underlying shares on that date exceeds the exercise price of the option. The value of unexercised options at December 31, 2002 is equal to the difference between the market price of the underlying shares on December 31, 2002 and the exercise price of the options. Market price, for this purpose, of the Corporation's common shares is $23.33 and of Sudbury Contact's common shares is $2.45 (i.e., the closing price of the shares on the TSX on December 31, 2002).

(3) Consists of options to purchase common shares of the Corporation granted under the Corporation's ESOP.

(4) Consists of options to purchase common shares of Sudbury Contact granted under Sudbury Contact's Employee Stock Option Plan. All unexercised options to purchase common shares of Sudbury Contact are currently exercisable.

Incentive Share Purchase Plan

In 1997, the shareholders of the Corporation approved the Incentive Plan to encourage directors, officers and full-time employees (the "Participants") of the Corporation and its subsidiaries to purchase the Corporation's common shares on a regular basis. Full-time employees who have been continuously employed by the Corporation or its subsidiaries for at least 12 months are eligible each January 1 to participate in the Incentive Plan. Eligible employees may contribute up to 10% of their basic annual salary through monthly payroll deductions or quarterly payments by cheque and directors may contribute up to 100% of their annual Board and committee retainer fees. The Corporation contributes an amount equal to 50% of the Participant's contributions and, on March 31, June 30, September 30 and December 31 of each year (or the next preceding business day), issues to each Participant common shares of the Corporation at current market prices having a value equal to the amounts contributed by such Participant and the Corporation. The Corporation may advance loans to fund contributions to the Incentive Plan by Participants. The plan was amended on April 23, 2003 to provide that loans may only be advanced to Participants who are not directors or officers of the Corporation. The Corporation did not make any interest-free loans to directors and officers wishing to make purchases under the Incentive Plan in 2002. Any common shares acquired under the Incentive Plan with the proceeds of such loans must be pledged to the Corporation to secure the repayment of the loans. The loans advanced under the Incentive Plan have a ten-year term with recourse limited to the purchased shares. The Incentive Plan requires repayment of the loan within two years after death or departure from the Corporation and immediate repayment of the loan out of any proceeds of sale of the shares. See "Indebtedness of Directors, Executive Officers and Senior Officers".

Participation in the Incentive Plan terminates upon the earlier of (i) the termination of the Participant's relationship with the Corporation, (ii) the Participant's death, or (iii) the termination of the Incentive Plan. In

such event, all unused Participant contributions will be returned to the Participant or the Participant's estate. The Incentive Plan was amended by resolution at the annual and special meeting of the shareholders of the Corporation on June 21, 2002 to increase the maximum number of common shares reserved for issuance under the Incentive Plan from 1 million to 2.5 million shares. In 2002, a total of 138,737 common shares were issued under the Incentive Plan.

Pension Arrangements

The Agnico-Eagle Mines Limited Employees Pension Plan — B Don LaRonde Division (Salaried) (the "Basic Plan") is a defined contribution pension plan registered under the *Income Tax Act* (Canada). Annual employer contributions of 5% of pensionable earnings are accumulated with investment income to retirement, at which time an annuity is purchased from an insurance company. Contributions are limited each year by limits prescribed in the *Income Tax Act* (Canada), a maximum of $13,500 in 2002. Effective July 1, 1997, the accrued pensions of members of Part A of the Basic Plan were either held in the Basic Plan as a frozen defined benefit or converted to cash values and transferred to individual Pension Accounts in Part B of the Basic Plan.

The four individual Retirement Compensation Arrangement Plans ("RCA Plans") for Messrs. Boyd, Scherkus, Adamcik and Landen provide pension benefits which are generally equal (on an after-tax basis) to what the pension benefits would be if they were provided directly from a registered pension plan. There are no pension benefit limits under the RCA Plans. The RCA Plans provide an annual pension at age 60 equal to 2% of the executive's final three-year average pensionable earnings for each year of continuous service with the Corporation, less the annual pension payable under the Basic Plan. Payments under the RCA Plans are secured by a letter of credit from a Canadian chartered bank.

The following chart provides illustrations of the total estimated pension payable from both the RCA Plan and the Basic Plan assuming various current pensionable earnings, current ages and total years of service to retirement at age 60. In all cases, it was assumed that current pensionable earnings would increase at the rate of 3% per annum, compounded annually.

		Total Years of Service with the Company to Age 60 (1)(2)				
Current Earnings	**Current Age**	**15 years**	**20 years**	**25 years**	**30 years**	**35 years**
$150,000	45	$ 66,100	$ 88,100	$ 110,100	$ 132,200	$ 154,200
	50	57,000	76,000	95,000	114,000	133,000
	55	49,200	65,600	82,000	98,300	114,700

	60	42,400	56,600	70,700	84,800	99,000
$200,000	45	$ 88,100	$ 117,500	$ 146,900	$ 176,200	$ 205,600
	50	76,000	101,300	126,700	152,000	177,300
	55	65,600	87,400	109,300	131,100	153,000
	60	56,600	75,400	94,300	113,100	132,000
$300,000	45	$ 132,200	$ 176,200	$ 220,300	$ 264,300	$ 308,400
	50	114,000	152,000	190,000	228,000	266,000
	55	98,300	131,100	163,900	196,700	229,500
	60	84,800	113,100	141,400	169,700	197,900
$400,000	45	$ 176,200	$ 235,000	$ 293,700	$ 352,400	$ 411,200
	50	152,000	202,700	253,400	304,000	354,700
	55	131,100	174,800	218,500	262,300	306,000
	60	113,100	150,800	188,500	226,200	263,900
$450,000	45	$ 198,300	$ 264,300	$ 330,400	$ 396,500	$ 462,600
	50	171,000	228,000	285,000	342,000	399,000
	55	147,500	196,700	245,900	295,000	344,200
	60	127,300	169,700	212,100	254,500	296,900
$550,000	45	$ 242,300	$ 323,100	$ 403,800	$ 484,600	$ 565,400
	50	209,000	278,700	348,400	418,000	487,700
	55	180,300	240,400	300,500	360,600	420,700
	60	155,500	207,400	259,200	311,100	362,900
$600,000	45	$ 264,300	$ 352,400	$ 440,600	$ 528,700	$ 616,800
	50	228,000	304,000	380,000	456,000	532,000
	55	196,700	262,300	327,800	393,400	458,900
	60	169,700	226,200	282,800	339,300	395,900
$700,000	45	$ 308,400	$ 411,200	$ 514,000	$ 616,800	$ 719,600
	50	266,000	354,700	443,400	532,000	620,700
	55	229,500	306,000	382,500	458,900	535,400
	60	197,900	263,900	329,900	395,900	461,900

Notes:

(1) Messrs. Boyd, Landen, Scherkus and Adamcik have 17, 22, 17 and 29 years, respectively, of credited service as of December 31, 2002.

(2) The pensionable earnings for purposes of the Basic Plan and RCA Plans consist of all basic remuneration for work done as services performed excluding any benefits, bonuses, overtime pay, automobile, entertainment or other allowance or unusual payments and includes only the compensation in the Summary Compensation Table. All amounts are stated in Canadian dollars.

Employment Contracts/Termination Arrangements

Each of Messrs. Boyd, Scherkus, Adamcik, Landen and Garofalo has an employment agreement with the Corporation which provides for an annual base salary, bonus and certain pension, health, dental and other insurance and automobile benefits. These agreements, which were amended in December 2002, provide that annual base salaries will be reviewed by the Board of Directors and will not be less than $195,000 in the case of Mr. Adamcik, $216,000 in the case of Mr. Landen, $290,000 in the case of Mr. Garofalo, $435,000 in the case of Mr. Scherkus and $600,000 in the case of Mr. Boyd. The aforementioned amounts may be increased at

the discretion of the Board of Directors. If the respective agreements are terminated other than for cause, death or disability, or upon their resignations following certain events, including a substantial alteration of responsibilities, a reduction of base salary or benefits, an office relocation of greater than 50 miles, a failure to obtain a satisfactory agreement from any successor to assume such officer's employment agreement or provide such officer with a comparable position, duties, salary and benefits or any change in control of the Corporation, all of the above named individuals would be entitled to payment equal to two and one-half times such officer's annual base salary at the date of termination plus an amount equal to two and one-half times such officer's annual bonus (averaged over the preceding two years) and a continuation of benefits for up to two years or until such earlier date on which such officer commences new employment. In addition, all of the Named Executive Officers are entitled to participate under the Corporation's ESOP and Incentive Plan. See "— Incentive Share Purchase Plan".

Composition of Compensation Committee

The Compensation Committee consists of Messrs. Beaumont, Kraft and Dr. Green, none of whom is an officer or employee or former officer or employee of the Corporation or any of its subsidiaries and all of whom are considered to be unrelated to and independent from the Corporation. Each member of the Compensation Committee had amounts of indebtedness to the Corporation outstanding during 2002 under the Corporation's incentive share purchase plan (see "Executive Compensation — Share Purchase Plan"). However, all such indebtedness was repaid in full in 2002. The mandate of the Compensation Committee is to review management compensation policies and to make recommendations for the approval of the Board of Directors with respect to remuneration of executive officers of the Corporation. The

Committee is also responsible for administering the ESOP, making recommendations to the Board of Directors with respect to pension, stock option and other incentive plans for the benefit of executive officers and determining compensation paid to directors of the Corporation.

The Committee met twice during 2002 and reviewed the Corporation's executive compensation policies or programs and recommended changes to the base salaries and options provided to executive officers to be effective in the Corporation's 2003 fiscal year. The increase was considered necessary to make the compensation of the Corporation's officers consistent with that of other corporations in the same industry as the Corporation. The Committee also increased the compensation of directors and recommended the grant of options to them under the ESOP. See "— Compensation of Directors".

Report on Executive Compensation

Compensation Philosophy

The goal of the Corporation is to create value for its shareholders. Accordingly, compensation for executive officers is based on the following principles: it must provide a strong incentive for officers to achieve the Corporation's goals each year; it must ensure that the interest of management and the shareholders are aligned; and it must enable the Corporation to attract and retain the quality of people necessary to its business. It is important that compensation recognize and reward individual performance as well as the performance of the Corporation as a whole. The compensation paid to executive officers consists of base salary, annual cash bonuses and long-term incentives. Cash bonuses and long-term incentives, specifically stock options, are linked to increases in shareholder value and the contribution of each executive officer to that principal goal. The Corporation believes that annual incentives are dependent upon corporate and individual performance and stock options play an important role in building shareholder value by tying the compensation of executive officers to performance and aligning their interests with the long-term interests of the Corporation and its shareholders.

Base Salary

Base salary is generally the principal component of an executive officer's compensation package. For the Named Executive Officers, the minimum level of annual base salary is specified under employment agreements, although amounts in excess of the base salary may be awarded in the discretion of the Board of Directors. See "Executive Compensation — Employment Contracts/Termination Arrangements". Annual base salary for other executive officers is reviewed annually, taking into account the individual's performance and compensation levels established for mining industry executives generally.

Annual Bonus

Bonuses over established salary are awarded to executive officers and other employees for outstanding performance. In setting the amount of the bonus, the Board of Directors gives weight to the annual performance and profitability of the Corporation, the contribution of the individual to that success and the level of responsibility of the employee within the Corporation. In 2002, an aggregate of $536,000 in cash bonuses were awarded to the executive officers of the Corporation.

Stock Options

Long-term incentives for executive officers and other employees have been provided through stock options granted under the ESOP. Grants of stock options are generally based on three factors: the employee's performance, the employee's level of responsibility within the Corporation and the number and exercise price of options previously issued to the employee. Although the ESOP provides for the grant of options exercisable during a period not to exceed ten years from the dates such options are granted, on April 24, 2001 the Compensation Committee adopted a policy pursuant to which options granted after such date shall be exercisable during a period established by the Compensation Committee not to exceed five years from the dates such options are granted. During the year ended December 31, 2002, the Compensation Committee approved the grant of 620,000 stock options to the executive officers of the Corporation. See "Executive Compensation — Options to Purchase Securities — Aggregate Option Grants During Year Ended December 31, 2002".

Chief Executive Officer's 2002 Compensation

Mr. Boyd served as President and Chief Executive Officer of the Corporation and received a $555,481 base salary in 2002. In determining the base salary of Mr. Boyd, the Compensation Committee reviewed industry surveys prepared by independent consultants, an internally generated industry survey and public information regarding base salaries paid to chief executive officers of public companies of comparable size and complexity. The Committee also considered other factors such as Mr. Boyd's responsibilities and contribution to business performance such as his leadership in connection with the expansion of operations at the LaRonde mine and the Corporation's overall past and anticipated future performance. The principal responsibilities of the President and Chief Executive Officer include selecting and appointing senior officers, establishing and monitoring long-term strategic corporate objectives and supervising the Corporation's mining exploration and development activities.

Despite difficulties in 2002 related to the start-up of the expansion of the mine and mill to 7,000 tons of ore per day, the Corporation had record gold production in the year and a significant improvement in net income, with the Company reporting a year-end profit for the first time since 1996. In addition, the Corporation ended the year in a strong financial position, with cash resources of nearly $253 million. Throughout the year the Corporation, led by the President and Chief Executive Officer, pursued the 7,000 tons per day expansion of the mine and mill, two financings which raised over $450 million and the examination of several acquisition opportunities. He also steered the Corporation through the operating challenges at the LaRonde mine which resulted in delays in mine development in 2002. Under his leadership, the Corporation also replaced its gold reserves and increased its gold resources. Mr. Boyd oversaw the expansion of the diamond project held by the Corporation's 63.7% subsidiary, Sudbury Contact, the continued rationalization of the Corporation's structure and the implementation of plans to increase Sudbury Contact's independence from the Corporation.

The foregoing report is submitted by the Compensation Committee of the Board of Directors.

Bernard Kraft, C.A.
Douglas R. Beaumont
Dr. Alan Green

Compensation of Directors

The Corporation pays to each director, other than the President, who does not receive standard directors' fees, a fee of $1,000 for each meeting of the Board of Directors or committee of the Board attended, as well as an annual retainer of $18,000, except for Mr. Nasso, the Chairman of the Board, who is paid an annual fee of $50,000. Directors are also entitled to participate under the ESOP and the Incentive Plan. Committee chairs receive an annual fee of $3,000. In 2002, the Corporation issued a total of 7,561 common shares of the Corporation to directors under the Incentive Plan. In 2002, the Corporation granted directors options to acquire a total of 241,000 common shares of the Corporation. As at April 23, 2003, directors of the Corporation, including Mr. Boyd, held options to acquire 952,250 common shares of the Corporation. In respect of Mr. Boyd, see "Executive Compensation — Options to Purchase Securities — Aggregate Option Grants During Year Ended December 31, 2002".

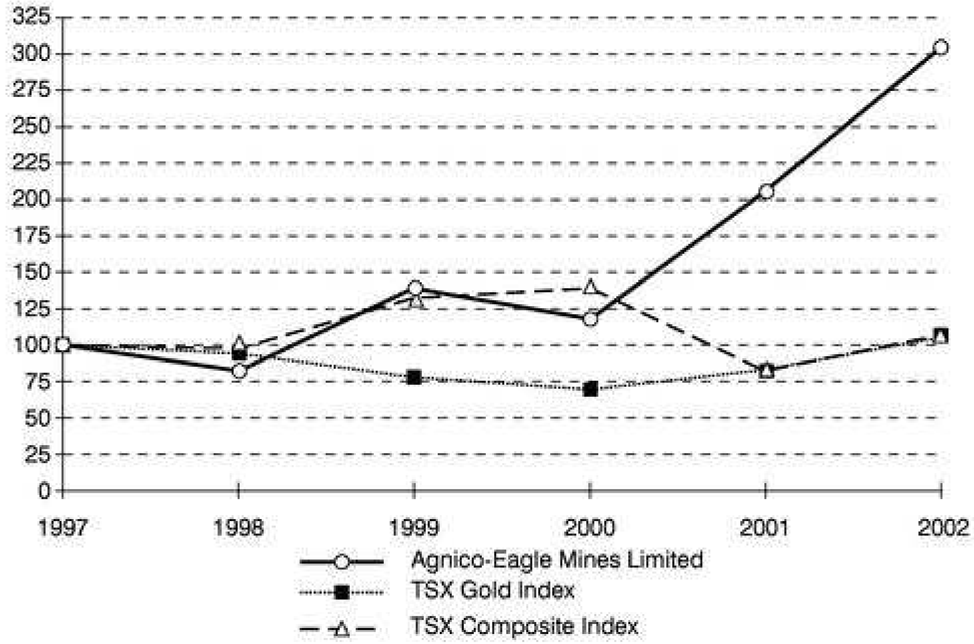
Messrs. Boyd, Clement and Nasso, directors of the Corporation, are also directors of Sudbury Contact, an affiliate of the Corporation, which pays to each director, other than Mr. Boyd, a fee of $300 for each meeting of its Board of Directors or committee of the Board attended.

Mr. Boyd also serves as President and Chief Executive Officer of Sudbury Contact and received no remuneration for these offices. For the year ended December 31, 2002, Mr. Boyd was granted 118,000 options to purchase common shares of Sudbury Contact under Sudbury Contact's Employee Stock Option Plan.

For the year ended December 31, 2002, Messers Clement and Nasso, in their capacity as directors of Sudbury Contact, were each granted 15,000 options to purchase common shares of Sudbury Contact under Sudbury Contact's Employee Stock Option Plan.

Performance Graph

The following graph compares the total cumulative return of $100 invested in the Corporation's common shares on December 31, 1997 with the cumulative total return for each of The S&P/TSX Composite Index (the "TSX Composite Index") and The Toronto Stock Exchange Gold and Precious Minerals Total Return Index (the "TSX Gold Index") over the five-year period ended December 31, 2002 (in each case, assuming reinvestment of dividends):



	1997	1998	1999	2000	2001	2002
Agnico-Eagle Mines Limited	100	82	139	118	205	305
TSX Composite Index	100	98	132	139	82	107
TSX Gold Index	100	94	78	70	83	105

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No indebtedness was outstanding as at April 23, 2003 in connection with the purchase of securities of the Corporation or its subsidiaries of directors, former directors, officers and employees of the Corporation or its subsidiaries to the Corporation and its subsidiaries. All loans in respect of which the Corporation had provided guarantees in 1998 to a Canadian chartered bank of the indebtedness of its officers and directors incurred to make market purchases of common shares of the corporation were repaid in 2002. The aggregate amount outstanding as at April 23, 2003 for indebtedness of directors, former directors, officers and employees of the Corporation or its subsidiaries to the Corporation and its subsidiaries incurred for purposes other than the purchase of securities of the Corporation or its subsidiaries or associates was $106,250, the outstanding amount of the loan advanced to Alain Blackburn to purchase a residence as a relocation incentive.

The following table contains information concerning indebtedness to the Corporation, excluding routine indebtedness, by directors, executive officers and senior officers of the Corporation and associates of such persons.

Name	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During Year Ended December 31, 2002	Amount Outstanding as at April 23, 2003
Jakmin Investments Limited	Loan from Corporation (1)	$2,347,027	NIL
Sean Boyd, President and Chief Executive Officer and Director	Loan from Corporation (2)	$132,625	NIL
Eberhard Scherkus, Executive Vice-President and Chief Operating Officer	Loan from Corporation (2)	$113,250	NIL
David Garofalo, Vice-President, Finance and Chief Financial Officer	Loan from Corporation (2)	$70,900	NIL

Barry Landen, Vice-President, Corporate Affairs	Loan from Corporation (2)	$60,572	NIL
	Guarantee from Corporation (3)	$150,000	
Anton Adamcik, Vice-President, Environment	Loan from Corporation (2)	$17,450	NIL
Alain Blackburn, Vice-President, Exploration	Loan from Corporation (4)	$112,500	$106,250
John Clement, Vice-President and Director (5)	Loan from Corporation (2)	$18,875	NIL
Charles Langston, former Chairman and Director (6)	Loan from Corporation (2)	$30,000	NIL
Douglas Beaumont, Director	Loan from Corporation (2)	$31,875	NIL
Irving Dobbs, former Director (7)	Loan from Corporation (2)	$31,875	NIL
Alan Green, Director	Loan from Corporation (2)	$31,875	NIL
Wencel Hubacheck, former Director (7)	Loan from Corporation (2)	$9,375	NIL

Milton Klyman, former Director (8)	Loan from Corporation (2)	$30,000	NIL
Bernard Kraft, Director	Loan from Corporation (2)	$31,875	NIL
James D. Nasso, Director	Loan from Corporation (2)	$26,250	NIL
	Guarantee from Corporation (3)	$100,000	
George Pon, former Director (8)	Loan from Corporation (2)	$1,875	NIL
Ernest Sheriff, Director	Loan from Corporation (2)	$26,250	NIL

Notes:

(1) Effective January 1, 2002, the loan agreement was amended to be payable by Jakmin Investments Limited ("Jakmin Investments") on demand by the Corporation. The loan was repaid in full on April 29, 2002. Jakmin Investments is a corporation wholly owned by the Penna Estate. Mr. Langston, the Chairman and a director of the Corporation until his retirement on June 21, 2002, and Mr. Landen, the Vice-President, Corporate Affairs of the Corporation, are trustees of the Penna Estate and, together with a third trustee, control the Penna Estate. Messrs. Langston and Landen are also directors of Jakmin Investments and Mr. Landen serves as its President. Ernest Sheriff, a director of the Corporation, is also a director of Jakmin Investments.

(2) These amounts represent indebtedness owed to the Corporation by directors and officers in respect of their purchases of the Corporation's common shares prior to 2002 pursuant to the Incentive Share Purchase Plan. In 2002, the Corporation did not make any loans to directors and officers under the Incentive Plan and all loans made under the plan were repaid in 2002. The Incentive Share Purchase Plan was amended in 2003 to provide that loans may only be advanced to Participants who are not directors or officers of the Corporation. (See "Executive Compensation — Incentive Share Purchase Plan".)

(3) In 1998, the Corporation established a market purchase facility to enable its officers and directors to obtain personal loans to purchase common shares of the Corporation in the open market. In 2003, the Corporation terminated the market purchase facility and, as at April 23, 2003, there was no indebtedness guaranteed by the Corporation under this facility.

(4) The loan advanced by the Corporation to Mr. Blackburn is secured by a second mortgage on his residence which provides for full recourse against the assets of Mr. Blackburn.

(5) Mr. Clement will retire as a director and officer of the Corporation at the conclusion of the Meeting.

(6) Mr. Langston was the Chairman and a director of the Corporation until his retirement effective June 21, 2002.

(7) Irving Dobbs and Wencel Hubacheck were directors of the Corporation until their retirement effective December 31, 2002.

(8) Milton Klyman and Dr. George Pon were directors of the Corporation until their retirement effective June 21, 2002.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS AND MANAGEMENT CONTRACTS

For the year ended December 31, 2002, the Corporation and certain of its subsidiaries paid $243,000 to Jakmin Investments for office rental and management services rendered by it to such corporations from January 1, 2003 to September 1, 2003. The registered address of Jakmin Investments is Suite 500, 145 King Street East, Toronto, Ontario M5C 2Y7. Jakmin Investments is a corporation wholly owned by the Penna Estate. Mr. Landen, the Vice-President, Corporate Affairs of the Corporation, is a trustee of the Penna Estate and, together with two other trustees, controls the Penna Estate. Mr. Landen is also a director of Jakmin Investments and serves as its President. Ernest Sheriff, a director of the Corporation, is also a director of Jakmin Investments. The Corporation believes that the office rental and management service fees paid to Jakmin Investments up to September 1, 2002 were as favourable to the Corporation as could be negotiated with an unaffiliated party. On September 1, 2002, the Corporation moved from the premises it was renting from Jakmin Investments and all related contractual obligations between the Corporation and Jakmin Investments were terminated.

In August 1998, the Corporation provided to Jakmin Investments an interest bearing loan in the amount of $750,000 to enable Jakmin Investments to purchase shares of Mentor Exploration and Development Co.,

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Limited ("Mentor"), which was at the time an affiliate of the Corporation, from Long Shots Inc., a corporation in which the Corporation held an approximately 36% interest at the time. Both the previously advanced non-interest bearing loan of $1,597,027 and the 1998 interest bearing loan of $750,000 were governed by a loan agreement dated August 14, 1998. Effective January 1, 2000, the loan agreement was amended to extend the due date to January 1, 2002. Effective January 1, 2002, the loan agreement was amended so that both loans are payable by Jakmin Investments on demand by the Corporation. The registered address of Mentor and Long Shots Inc. were Suite 2302, 401 Bay Street, Toronto, Ontario M5H 2Y4. On April 29, 2002, both loans were repaid in full by Jakmin Investments.

Accordingly, as of April 23, 2003, Jakmin Investments no longer holds an interest in any material contract with the Corporation.

For the year ended December 31, 2002 and for the period from January 1, 2003 to the date hereof, the Corporation loaned $4,034,406 and $583,148, respectively, to Sudbury Contact to fund ongoing exploration and operating activities. On May 13, 2002, the Corporation completed a transaction with Sudbury Contact which resulted in the elimination of $25,640,785 of the outstanding amount owed by Sudbury Contact to the Corporation. The total indebtedness of Sudbury Contact to the Corporation at April 23, 2003 is $4,931,462, including accrued interest to April 23, 2003 of $8,586. The rate of interest on the loan is 8% per annum. The loan is repayable on demand. The book value of the loan on the Corporation's financial statements is nil. The registered address of Sudbury Contact is Suite 500, 145 King Street East, Toronto, Ontario M5C 2Y7.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation is required under the By-laws of the TSX to make disclosure of its corporate governance practices and provide a description of the Corporation's system of corporate governance with specific reference to the guidelines (the "TSX Guidelines") set out in the TSX Company Manual and, where the Corporation's system is different from any of those guidelines or where the guidelines do not apply to the Corporation's system, an explanation of the differences or their inapplicability.

The following Statement of Corporate Governance Practices has been prepared by the Board's Governance Committee and approved by the Board of Directors.

The Board of Directors believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Corporation's governance practices reflect the Board's assessment of the governance structure and process which can best serve to realize these objectives in the Corporation's particular circumstance. The Corporation's governance practices are subject to review and evaluation through the Board's Governance Committee, to ensure that, as the Corporation's business evolves, changes in structure and process necessary to ensure continued good governance are identified and implemented.

The Board of Directors and management have been following the developments in corporate governance requirements and best practices standards in both Canada and the United States. As these requirements and practices have evolved, the Corporation has responded in a positive and proactive way by assessing its practices against these requirements and modifying, or targeting for modification, practices to bring them into compliance with these corporate governance requirements and best practices standards. The Corporation has also revised the charters for the Audit Committee, the Compensation Committee and the Governance Committee to reflect the new and evolving corporate governance requirements and best practices standards in Canada and the United States.

Although the introduction by the TSX of certain corporate governance listing standards (the "Proposed TSX Listing Standards") and certain amendments to its corporate governance guidelines (the "Proposed TSX Amendments") have not yet advanced past the proposal stage, the Corporation has begun the process of conforming its governance standards to the Proposed TSX Listing Standards and Proposed TSX Amendments.

Similarly, although changes in the corporate governance requirements proposed by the New York Stock Exchange (the "Proposed NYSE Amendments") have not yet been finalized and may not be applicable to non-U.S. companies, the Corporation is proceeding to conform its governance practices to the Proposed NYSE Amendments and intends to comply with the final standards. For instance, in addition to the measures taken to comply with the Proposed TSX Amendments as stated in the preceding paragraph, the Corporation has constituted its Governance Committee such that it is entirely composed of independent directors.

Details of the Corporation's corporate governance practices and the responsibilities of the Board, with reference to the enumerated TSX Guidelines, are addressed below.

1. The Board should explicitly assume responsibility for stewardship of the corporation, and specifically should assume responsibility for the following matters: (i) adoption of a strategic planning process, (ii) identification of principal risks of the business and implementation of systems of risk management, (iii) provision for succession planning, including appointment, training and monitoring of senior management, (iv) establishment of a communications policy and (v) the integrity of the Corporation's internal control and management information systems.

The Board's responsibility is to supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation.

In discharging this responsibility, the Board oversees and monitors significant corporate plans and strategic initiatives. The Board's strategic planning process consists of an annual review of the Corporation's three-year business plan and, from time to time (at least annually), a meeting focused on strategic planning

matters. As part of this process, the Board reviews and approves the corporate objectives proposed by the President and advises management in the development of a corporate strategy to achieve those objectives.

The Board also monitors the performance of senior management against the business plan through a periodic review process (at least every quarter) and reviews and approves promotion and succession matters. The Board reviews the principal risks inherent in the Corporation's business, including environmental, industrial and financial risks, and assesses the systems to manage these risks.

The Board considers the Corporation's approach to communications with shareholders and other stakeholders and approves specific communications initiatives from time to time. The Corporation conducts an active investor relations program. The program involves responding to shareholder inquiries, briefing analysts and fund managers with respect to reported financial results and other announcements by the Corporation, as well as meeting with individual investors and other stakeholders. Senior management reports regularly to the Board on these matters. The Board reviews and approves the Corporation's major communications with shareholders and the public, including quarterly and annual financial results, the annual report and management information circular. In November 2001, the Board adopted a Disclosure Policy in response to regulatory changes in Canada and the United States. The policy establishes standards and procedures relating to contacts with analysts and investors, news releases, conference calls, disclosure of material information, trading restrictions and blackout periods.

The Board, directly and through its Audit Committee, also assesses the integrity of the Corporation's internal control and management information systems.

The Board meets at least six times a year and more frequently if required. In 2002, the Board held ten meetings.

2. The Board should be constituted with a majority of individuals who qualify as unrelated directors.

The Board currently consists of nine directors and, effective at the Meeting, the Board will consist of eight directors. The Board believes that seven of its nine current members, Ms Baker and Messrs. Beaumont, Kraft, Leiderman, Nasso and Sheriff, and Dr. Green are "unrelated" within the meaning of the TSX Guidelines, i.e., independent of management and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their ability to act as a director with a view to the best interests of the Corporation, other than interests and relationships arising from shareholdings. The Board believes a majority of those nominated for election at the Meeting are "unrelated" within the meaning of the TSX Guidelines.

In reaching this determination, the Board considered the circumstances and relationships with the Corporation and its affiliates of each of its directors. In determining that Ms. Baker and Messrs. Beaumont, Kraft, Leiderman, Nasso and Sheriff, and Dr. Green are unrelated to the Corporation, the Board took into consideration the fact that none is an officer or employee of the Corporation or party to any material contract with the Corporation and that none receives remuneration from the Corporation in excess of directors' fees, grants of stock options and financial assistance under the Incentive Share Purchase Plan and as disclosed under "Indebtedness of Directors, Executive Officers and Senior Officers".

Messrs. Boyd and Clement are considered related because they are officers of the Corporation. Mr. Clement is retiring as a director and Vice-President at the conclusion of the Meeting. All directors, other than Messrs. Boyd and Clement, also meet the independence standard as set out in the Proposed NYSE Amendments and the Sarbanes-Oxley Act of 2002 ("SOX").

3. The Board, in the case of a corporation with a significant shareholder, should disclose whether the Board is constituted with the appropriate number of directors which are not related to either the corporation or the significant shareholder.

The Corporation's common shares are widely held and it has no "significant shareholder" as defined in the TSX Guidelines, i.e., no shareholder with the ability to exercise a majority of the votes for the election of directors to the Board.

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4. The Board should appoint a committee of directors composed exclusively of outside, i.e., non-management directors, a majority of whom are unrelated directors, that is responsible for the appointment and assessment of directors.

The Corporation's governance committee (see description of Governance Committee under guideline number 9) is responsible for the assessment of the effectiveness of the Board as a whole and participates in the recruitment and recommendation of new nominees for appointment or election to the Board of Directors. On April 24, 2002, the Board of Directors, on the recommendation of the Governance Committee, established an ad hoc Nominating Committee to recruit and recommend to the Governance Committee new nominees for appointment or election to the Board of Directors. The Nominating Committee was dissolved in 2002.

5. The Board should implement a process for assessing the effectiveness of the Board, its committees and individual directors.

See description of Governance Committee under guideline number 9.

6. The Board should provide an orientation and education program for new directors.

The Corporation does not have a formal orientation and education program for new directors. However, all but two of the current directors have been members of the Board for several years and are well versed in the business of the Corporation. In addition, the two new members of the Board have attended orientation sessions and have been provided with all documentation relating to the policies and procedures of the Corporation.

7. The Board should examine the size of the Board, with specific reference to its effectiveness.

The size and composition of the Board is subject to periodic review by the Governance Committee. In accordance with the recommendations of the Governance Committee in 2002 that the number of directors be reduced from 12, the Board was reduced to nine directors at the 2002 annual and special meeting and will be further reduced to eight directors effective at the end of the Meeting.

8. The Board should review compensation of directors in light of risks and responsibilities.

Remuneration is paid to the Corporation's directors based on several factors, including time commitments and emoluments to directors of similar organizations. The Compensation Committee periodically reviews and fixes the amount and composition of the compensation of Directors. See "Executive Compensation — Compensation of Directors" and the description of the Compensation Committee under guideline number 9.

9. The Board should ensure that its committees are generally composed of only outside directors, a majority of whom are unrelated directors.

The Board has three Committees: the Audit Committee, the Compensation Committee and the Governance Committee. From time to time, ad hoc committees of the Board are appointed. The Executive Committee was dissolved in 2002.

Audit Committee

The Audit Committee has two primary objectives: (a) recommend to and advise the Board of Directors in its oversight responsibilities with respect to: (i) the quality and integrity of the Corporation's financial reports and information; (ii) the effectiveness of the Corporation's internal controls for finance, accounting, internal audit, ethics and legal and regulatory compliance; (iii) the performance of the Corporation's auditing, accounting and financial reporting functions; (iv) the fairness of related party agreements and arrangements between the Corporation and related parties; and (v) the independent auditors' performance, qualifications and independence; and (b) prepare such reports of the Audit Committee required to be included in the management information circular in accordance with applicable laws or the rules of

applicable securities regulatory authorities. On April 23, 2003, the Corporation amended and restated the Audit Committee charter to incorporate the requirements of SOX, the Proposed TSX Listing Standards, the Proposed TSX Amendments and the Proposed NYSE Amendments. The amended Charter provides that each member of the Audit Committee must be unrelated to and independent from the Corporation, as these terms are defined in the Proposed TSX Amendments and the Proposal NYSE Amendments. In addition, each member must be financially literate and at least one member of the Audit Committee must be a financial expert, as the term is defined in SOX.

The Audit Committee is responsible for reviewing all financial statements prior to approval by the Board, all other disclosures containing financial information (e.g. press releases), all management reports which accompany any financial statements, all internal and external audit plans and any recommendation affecting the Corporation's internal controls, the results of internal and external audits and any changes in accounting practices or policies and the financial impact of such changes, any accruals, provisions, estimates or related party transactions that have a significant impact on the Corporation's financial statements and any litigation, claim or other contingency that could have a material effect upon the Corporation's financial statements. In addition, the Audit Committee is responsible for assessing management's programs and policies relating to the adequacy and effectiveness of internal controls over the Corporation's accounting and financial systems, for reviewing and discussing with the Chief Executive Officer and Chief Financial Officer the procedures undertaken in connection with their certifications for annual filings in accordance with the requirements of applicable securities regulatory authorities, for considering the appointment and remuneration of external auditors to the Board and any other matter which it considers should be taken into account in recommending the approval of any financial statements to the Board. The Audit Committee reports directly to the Board of Directors.

The Audit Committee is composed entirely of outside directors who are unrelated to and independent from the Corporation (currently, Messrs. Nasso, Leiderman and Kraft), each of whom is financially literate. In addition, both Messrs. Kraft and Leiderman are chartered accountants currently active in private practice and, as such, qualify as financial experts. The Audit Committee met four times in 2002.

Compensation Committee

The Compensation Committee's responsibilities include reviewing and recommending, for the Board's approval, policies relating to compensation of the Corporation's executive officers, the amount and composition of annual compensation to be paid to the Corporation's executive officers and matters relating to pension, stock option and other incentive plans for the benefit of executive officers. The Compensation Committee is also responsible for administering the Corporation's ESOP, reviewing and fixing the amount and composition of annual compensation to be paid to members of the Board and committees thereof and reviewing and assessing the design and competitiveness of the Corporation's compensation and benefits programs generally. The Compensation Committee reports directly to the Board. The Charter of the Compensation Committee was amended and restated on April 23, 2003 to incorporate the requirements of SOX, the Proposed TSX Listing Standards, the Proposed TSX Amendments and the Proposed NYSE Amendments. The amended Charter provides that each member of the Compensation Committee must be unrelated and independent, as these terms are defined in the Proposed TSX Amendments and the Proposed NYSE Amendments.

The Compensation Committee is composed entirely of outside directors who are unrelated to and independent from the Corporation (currently, Messrs. Beaumont and Kraft and Dr. Green). The Compensation Committee met twice in 2002.

Governance Committee

The Governance Committee is responsible for evaluating the Corporation's governance practices, developing its response to the TSX Guidelines and recommending changes to the Corporation's governance structures or processes as it may from time to time consider necessary or desirable. In addition, the Governance Committee's responsibilities include (i) reviewing on an annual basis the charters of the Board of Directors and of each committee of the Board and recommending any changes it considers necessary or desirable; (ii) assessing annually the effectiveness of the Board as a whole and recommending any necessary or desirable changes; (iii) reviewing on a periodic basis the composition of the Board to ensure that there remain an appropriate number of unrelated directors; and (iv) participating in the recruitment and recommendation of new nominees for appointment or election to the Board. The Governance Committee also provides a forum for a discussion of matters not readily discussed in a full Board meeting. The Governance Committee charter was amended and restated on April 23, 2003 to incorporate the requirements of SOX, the Proposed TSX Listing Standards, the Proposed TSX Amendments and the Proposed NYSE Amendments. The amended Charter provides that each member of the Compensation Committee must be unrelated and independent, as these terms are defined in the Proposed TSX Amendments and the Proposed NYSE Amendments.

The Governance Committee is composed entirely of outside directors who are unrelated to and independent from the Corporation (currently, Messrs. Sheriff and Beaumont and Dr. Green). The Governance Committee met seven times in 2002.

10. The Board should assume or assign responsibility for corporate governance issues.

See description of Governance Committee under guideline number 9.

11. The Board should define management's responsibilities and approve corporate objectives to be met by the Chief Executive Officer.

The Board holds management responsible for the development of long-term strategies for the Corporation. The role of the Board is to review, question, validate and ultimately approve the strategies and policies proposed by management. The Board relies on management to perform the data gathering, analysis and reporting functions which are critical to the Board for effective corporate governance. In addition, the President and Chief Executive Officer, the Vice-President, Finance and Chief Financial Officer, Vice-President, Corporate Development and the Executive Vice-President and Chief Operating Officer report to the Board at least every quarter on the Corporation's progress in the preceding quarter and on the strategic, operational and financial issues facing the Corporation.

Management is authorized to act, without Board approval, on all ordinary course matters relating to the Corporation's business. Management seeks the Board's prior approval for significant changes in the Corporation's affairs such as major capital expenditures, financing arrangements and significant acquisitions and divestitures. Board approval is required for any venture outside of the Corporation's existing businesses and for any change in senior management. Recommendations of committees of the Board require the approval of the full Board before being implemented. In addition, the Board oversees and reviews significant corporate plans and initiatives, including the annual three-year business plan and budget and significant matters of corporate strategy or policy. In 2001, the Board of Directors approved amendments to the authorization policy and risk management policy of the Corporation. The policies ensure compliance with good corporate governance practices. Both policies formalize controls over the management or other employees of the Corporation by stipulating internal approval processes for transactions, investments, commitments and expenditures and, in the case of the risk management policy, establishing objectives and guidelines for metal price hedging, foreign exchange and short-term investment risk management and insurance.

12. The Board should establish structures and procedures to enable the Board to function independently of management. An appropriate structure would be to appoint a chairman who is not a member of management.

Mr. Nasso is the Chairman of the Board of Directors and Mr. Boyd is the President and Chief Executive Officer of the Corporation. Mr. Nasso is not a member of management. The Board believes that the separation of the offices of Chairman and Chief Executive Officer enhances the ability of the Board to function independently of management and does not foresee the offices of Chairman and Chief Executive Officer will be held by the same person. The Board may also meet independently of management and the related directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

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13. The Board should ensure that the Audit Committee is composed of outside directors and that the role of the Audit Committee is specifically defined.

See description of Audit Committee under guideline number 9.

14. The Board should implement a system to enable individual directors to engage outside advisors at the Corporation's expense.

The Board has a policy of permitting individual directors, subject to the approval of the Board, to engage outside legal, financial or other expert advisors at the Corporation's expense in the appropriate circumstances.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Directors and officers of the Corporation are indemnified by the Corporation under the Corporation's by-laws to the extent permitted by law. The Corporation has purchased a directors' and officers' liability insurance policy to provide insurance against possible liabilities under this indemnification and for the benefit of directors and officers of the Corporation or its subsidiaries, against liabilities incurred by them in such capacities to the extent that these liabilities are not indemnified by the Corporation or its subsidiaries. The premium for this policy for the period from January 1, 2002 to December 31, 2002 of $92,500 was paid by the Corporation. No allocation of premium is made in respect of directors as a group or officers as a group. The policy provides coverage of up to $25 million per occurrence, to a maximum of $25 million per annum. There is no deductible for directors and officers and a $75,000 deductible for each claim made by the Corporation.

DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

The Board of Directors of the Corporation adopted a dividend reinvestment and share purchase plan (the "Dividend Plan") in 1999. The Corporation or Computershare Trust Company of Canada, the administrator of the Plan, will provide a copy of the Dividend Plan to any person or company upon written request. The Dividend Plan is similar to dividend reinvestment and share purchase plans adopted by other Canadian companies. The following summary is qualified in its entirety by the specific terms and conditions of the Dividend Plan.

The Dividend Plan is designed to provide shareholders with an opportunity to increase their investment in the Corporation each year by reinvesting any dividends to purchase additional common shares and, if desired, by investing optional cash contributions to purchase additional common shares. Common shares will be purchased at a discount from the market price under the dividend reinvestment portion of the Dividend Plan. Common shares will be purchased at the market price (determined in accordance with the Dividend Plan) under the share purchase portion of the Dividend Plan by way of cash contribution; such cash contributions must be no less than US$100 and no more than US$20,000 (or the Canadian dollar equivalents of such sums, calculated in accordance with the terms of the Dividend Plan).

Shareholders who choose to participate in the Dividend Plan will benefit by not incurring any brokerage commissions on common share purchases under the Dividend Plan. The Dividend Plan also allows for full investment of dividends and cash contributions, because it credits the purchase of fractional and whole shares to a participating shareholders' account. Under the Dividend Plan, any registered shareholder who is a resident of Canada or the United States may choose to participate in the Dividend Plan. A shareholder must participate in the dividend reinvestment portion of the Dividend Plan in order to be eligible to participate in the share purchase portion of the Dividend Plan.

Participation in the Dividend Plan is not mandatory. Any shareholders who do not elect to participate in the Dividend Plan will continue to receive any dividends paid by the Corporation in cash. All common shares purchased under the Dividend Plan will be issued directly from the treasury of the Corporation. Any proceeds received by the Corporation for the issuance of such common shares will be used for general corporate purposes.

Once a shareholder is enrolled in the Dividend Plan, the reinvestment of any dividends is automatic, until the Dividend Plan or the shareholder's participation in the Dividend Plan is terminated.

ADDITIONAL INFORMATION

The Corporation will provide to any person or company, upon written request to the Vice-President, Corporate Affairs of the Corporation, a copy of:

(a) the Corporation's most recent Annual Information Form consisting of the Corporation's Annual Report on Form 20-F under the United States Securities Exchange Act of 1934, together with one copy of any document, or the pertinent pages of any document, incorporated by reference therein;

(b) the Corporation's Annual Report for the year ended December 31, 2002, including the consolidated balance sheets as at December 31, 2002 and 2001, and the consolidated statements of income (loss), for the three-year period ended December 31, 2002, and related notes, together with the auditors' report thereon and management's discussion and analysis of the Corporation's financial condition and results of operations contained therein; and

(c) any interim consolidated financial statements of the Corporation subsequent to the consolidated financial statements for the year ended December 31, 2002.

Alternatively, these documents may be viewed at the Corporation's website at http://www.agnico-eagle.com.

GENERAL

Management knows of no matters to come before the Meeting other than matters referred to in the Notice. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

APPROVAL BY DIRECTORS

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

DATED the 23 rd day of April, 2003.

BARRY LANDEN

Vice-President, Corporate Affairs

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