

FINAL TRANSCRIPT

Agnico Eagle Mines Limited

Second Quarter Results 2018 Conference Call

Event Date/Time: July 26, 2018 — 11:00 a.m. E.T.

Length: 30 minutes

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



CORPORATE PARTICIPANTS

Sean Boyd

Agnico Eagle Mines Limited — Chief Executive Officer

Yvon Sylvestre

Agnico Eagle Mines Limited — Senior Vice-President, Operations, Canada and Europe

Alain Blackburn

Agnico Eagle Mines Limited — Senior Vice-President, Exploration

CONFERENCE CALL PARTICIPANTS

David Haughton

CIBC World Markets — Analyst

Stephen Walker

RBC Capital Markets — Analyst

Carey MacRury

Canaccord Genuity — Analyst

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



PRESENTATION

Operator

Good morning. My name is Kim, and I will be your conference Operator today. At this time, I would like to welcome everyone to the Agnico Eagle Second Quarter Results 2018 Conference Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press *, then the number 1 on your telephone keypad. If you would like to withdraw your question, please press the # key. Thank you.

Mr. Sean Boyd, you may begin your conference.

Sean Boyd — Chief Executive Officer, Agnico Eagle Mines Limited

Thank you, Operator, and good morning, everyone, and thank you for joining our second quarter 2018 conference call. We'll be going through a series of slides, and I'd just like to make you aware that there will be forward-looking statements in this presentation. So there is some disclosure on that in the slide deck.

Just to get a set, sort of, on our thinking or mind-set, where we are midyear 2018. In this transition year, as we transition from mining the deposits in the vicinity of Meadowbank and moving to a much larger and broader platform in Nunavut, we remain focused on adding value through the growth in our production base, largely in Nunavut, while keeping the risks in our business low.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



Specifically, we remain focused on the execution of the Nunavut growth plan, moving those projects forward. And we also remain focused on exploring our existing assets near and around our main deposits, to grow our reserves and our resource base and also focus on the project pipeline that we expect to come in post-building out the Nunavut platform.

But as we look at the operations, we continue to see operations that, in a transition year, are performing well from a production point of view. As a result, we've increased our full year guidance. Our gold reserves and our resources, we expect them to continue to grow this year, based on the exploration results that we're getting in and around our existing mines, which are showing extensions outside of currently known mineralization. Those expanding reserves and resources will support the production growth that we will see over the next several years.

We're on track to hit our target of 2 million ounces in 2020, and we'll talk about that. And that's important because that will drive our growth in cash flow per share and free cash flow, as the capital that will be required to be spent in the business to sustain and grow production beyond 2020 is significantly less than the amounts we've been spending in 2017 and will spend in 2018. So we'll update you specifically on the projects, but we continue to make very good progress at our key growth projects.

In terms of the pace of our growth, I think that's important because what we've been able to do is put together a collection of assets that are well matched to our technical skills and our experience. And it's important to work those projects at a manageable pace with realistic targets. And

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



when you combine that approach with the broad range of skills, it gives us what we call a high-quality/low-risk growth story. Low political risk, low execution risk, and that will remain the focus as we move through the balance of this year and move into next year, when we see our production begin to grow again.

As far as second quarter goes, generally as expected. As we said, from a production and from a cost standpoint, payable production a little over 400,000 ounces. Our costs came in roughly at the midpoint of the guidance as a result of the strong second quarter.

As we said, we've increased our full year production guidance to 1.58 million ounces. We expect, based on second half projections, to see a slight decrease in our total cash costs as we move through the second half of 2018, and then as we move into 2019.

Of particular note in the quarter, as we said, was moving some key projects forward. As expected, we received our Water Licence A, which has allowed us to begin construction of the Whale Tail pit. And that timeline is tracking very well to have production coming out of the Whale Tail pit in the third quarter of 2019.

And at Meliadine, we continue to make excellent progress there, both in surface construction in underground development and also, we've got some new news on the exploration front because for the first time in three years, we've resumed exploration drilling in and around the Meliadine deposit.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



We also received a permit at Akasaba. That's a satellite deposit for Goldex that allows us to leverage off of the Goldex and LaRonde infrastructure. So reviewing the timeline for the integration of that project.

And we've also in the quarter declared commercial production at the LZ5 zone at LaRonde. And the Lapa mine life, we've been able to extend further into 2018. And both of those situations, again, are allowing us to leverage off of infrastructure and skill sets at LaRonde to add incremental value in those regions where we've been for many decades.

As we said on the operating side on our operating results, we're tracking above the initial guidance on full year production. As a result, we raised the guidance, and we're tracking roughly at the midpoint of the cost guidance.

In the quarter, we saw significant contributions coming from both LaRonde and the Canadian Malartic. That was important because they partly offset the lower production and the higher unit costs that was expected at Meadowbank as we complete the last year of mining at the deposits in and around Meadowbank. We generated good cash flow per share, and our cash flow per share numbers are right in line with the consensus.

As far as how we're positioned financially. We closed the quarter with over 700 million in cash, we've got fully undrawn credit lines of \$1.2 billion, so we're well positioned to complete the build-out of our next phase of growth in Nunavut.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



Specifically on the assets. As we mentioned, LaRonde made a major contribution, not only to production, but also to cash generation and operating margin. Their grades were over 5 grams per tonne. They produced 85,000 ounces at a total cash cost of \$395 an ounce. So we can see the impact that the lower part of the LaRonde mine is having, not only on production and cost, but also on cash generation.

We continue to drill the lower part of the ore body. We'll be systematically adding additional levels as we move forward over the next several years. And as you remember, some of our best drilling is on the lower part of the mine on the western side of that deposit. So that should be important for production and unit cost as we move into the lower part of the mine.

And as we said, LaRonde Zone 5 hit commercial production. And what was important about LaRonde Zone 5 is the use of the new communications technology to test automated equipment. So we're looking to employ that at LaRonde. And we have the pleasure today, here in the room, to have a team from LaRonde that put the concept together about automated equipment using the LTE technology.

And they're here to accept an award that we give annually to the best idea coming from the sites to improve our business. So congratulations to the team at LaRonde for that technology. And that'll be important as we open up the lower mine, to manage costs and become more efficient in that part of the mine.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



I talked about LaRonde Zone 5. The opportunity there is really not just to bring the smaller zones that we're working on now—that was the base case. The opportunity is to prove the concepts in the original feasibility because there's several hundreds of thousands of ounces on that property, which we'll be focused on analyzing to see if we can also bring that into the mine plan over time.

And we mentioned Lapa. It just never seems to go away, not that we want it to go away. They keep doing an exceptional job of taking advantage of already built infrastructure and skills and allowing us to add additional ounces. And we're expecting them to add about 15,000 more ounces from the original guidance earlier this year, and that's one of the reasons why we're confident in setting a new full year 2018 production target.

At Canadian Malartic; we also mentioned that as being a major contributor in the quarter. They set several records, two of which are quarterly records: gold production and also a quarterly record for average daily throughput at the mill, which averaged almost 58,000 tonnes a day.

To recall, four years ago in 2014, when Yamana and Agnico acquired the asset, the throughput rate was 48,500 tonnes a day. So the team at Canadian Malartic has done an exceptional job steadily each quarter, optimizing that mine and taking advantage of efficiencies, and turning it into a significant cash flow generator for both Yamana and Agnico.

We're on track for the Barnat Extension. The construction work's proceeding as planned. We also continue to do exploration work at both the Odyssey Zone and the East Malartic Zone. And

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



we're continuing to do that work to determine the extents of the mineralization and then to figure out the appropriate next steps for both Odyssey and East Malartic.

At Goldex. The focus, as we said, was on acquiring the permit for Akasaba, which we did in the quarter. But we've also been focused on drilling at depth at Goldex; drilling Goldex, the Deep 2 and the Deep 3 Zone, and also the South Zone. We've got drill holes in the quarter that suggest that those zones can continue to grow.

And we've also been—our drilling has also suggested that the currently smaller, but higher-grade South Zone, has the potential to expand. And that could be important, given the grades, and we haven't done a lot of drilling there in the past, so that's certainly open for expansion.

At Meadowbank. As we said, it's the final year of mining at Meadowbank, essentially from the Vault pit, which was always a bit lower grade. The production and cost, we expect them to slightly improve in the second half. But essentially at Meadowbank, we had in Q2 about a 26 percent decline in grade year over year. In the quarter, our tonnes processed were down 15 percent. All of this was expected in that final year. Production was down 36,000 ounces; our unit costs were up about \$360 per ounce. And so as we said, the offset to that was partly LaRonde and Meadowbank.

So as we look out from, or sort of go back a couple of years, the expectation was that we would have had a significant production gap at Meadowbank, between Meadowbank and Amaruq. The team has done an exceptional job of squeezing out additional tonnes at Meadowbank, of

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



extending the life at Meadowbank. We'll be processing Meadowbank stockpile into 2019, to smooth that transition between Meadowbank and Amaruq. So everything going as we expected.

At the Amaruq site. The important milestone there was the receipt of the Type A Water Licence. That's now allowed us to begin the dike construction and the overburden and waste stripping. That timeline's sort of tracking as expected in terms of permit and beginning the construction. Everything's tracking according to the original plan, which is start-up in Q3 2019; also tracking close to the budget.

What we've been doing as well, waiting for the permit to develop the pit, is been extending the ramp. The ramp's now been advanced to a total advance of 478 metres down a vertical depth of about 60 metres.

So that ramp's important to do some drilling, to determine the extents of the mineralization in both the Whale Tail area and the V Zone area. And drilling in the quarter does suggest that we can extend the size of both Whale Tail and V Zones from underground. We've got drilling outside of the known mineral resource, and we're going to continue to follow up with drilling as we move through the second half of this year.

As we said at the start, we continue to make excellent progress at Meliadine. The sealift is underway. A first barge arrived in early July. Surface construction has gone extremely well. Site construction at the end of June is 74 percent complete. We could actually finish this multiservice

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



building. It includes the mine dry (phon) and the offices. That was turned over to the team in the second quarter of 2018.

In the plant, we've actually done substantial work on mechanical and piping and electrical and instrumentation work, to the point where essentially, we're just waiting for the larger key components to be off-loaded off of the barges so that we can get them installed. So we're tracking extremely well to start commissioning that plant in the first quarter of 2019, which sets us up nicely for production from the original plan in Q2 of 2019.

We are also well positioned, given the advances we've been making in underground development. While we've been building on surface and developing underground, we've also been compiling a stockpile of development ore. And when we combine the development ore that we have stockpiled and continue to stockpile over the next few quarters, combine that with the mining blocks that we expect to extract in the fourth quarter and in the first quarter of next year, we will have a sizable stockpile available to us when we start-up the plant in the first quarter of 2019.

And I think what's also got us quite excited, besides the progress we've been making on construction and development, is exploration. As we mentioned earlier, we had stopped exploration at the Meliadine deposits over the last three years, just been focused more on moving the project forward from a construction point of view. We've resumed exploration drilling. We have encountered very good grades over very good widths outside of the currently known reserve and resource, and I think what that's telling us is that we expect the deposit to continue to grow.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



So in the second half, we'll continue with follow-up drilling. We're looking for additional extensions of that, as we said, known mineralization at depth. The deposit is wide open. So our job now is to—as we get it up and running—is to continue with an active exploration program to determine how big that structure is.

In Kittila in Finland, the expansion's progressing on schedule and on budget. We're also focused at Kittila on improving the reserve picture. It's already our largest single reserve base. Our focus on drilling this year is to convert more of that large resource into reserves for the end of the year. So we continue to encounter mineralization outside of the known envelopes, and we should not only see an increase in reserves but potentially an increase in resource.

Moving to the Southern business at Pinos Altos. We're moving towards almost entirely an underground mining operation at Pinos Altos. That's associated with a higher cost structure. To help offset that, we're focused on developing a few satellite zones in the near vicinity of the Pinos Altos infrastructure. At Sinter, we continue to do work, also at Cubiro, and we're drilling Reyna de Plata. So these will be two or three additional satellite deposits that we will bring into the mine plan over the next couple years.

At Creston Mascota, same strategy, focus on near-surface mineralization in and around the deposit, both at Bravo and Madrono, to extend the mine life at Creston Mascota.

And La India, essentially the same strategy as well, looking at areas like El Realito, which was acquired a couple years ago. We've been active in exploring in and around the La India deposit. We'll

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



be adding additional sources of ore, largely to extend the mine life at La India. So they've made good progress there.

Just quickly in summary. As we said at the start, the objective is to stick to the strategy. It works. Just focus on bringing these growth projects in on time and budget, focus on the platform in Nunavut, which we think has the potential to be a major contributor to Agnico Eagle for many, many years. We know Meliadine's going to grow.

But I think importantly, what that platform does, combined with the other production bases, including the large production bases in the Abitibi, is put us in a really good position to begin to generate some significant net free cash flow next year because our CapEx is expected to come down from peak levels in 2018.

So what I'd like to do, Operator, is open up the lines and take some questions.

Q&A

Operator

At this time, I would like to remind everyone, in order to ask a question, please press *, then the number 1 on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from David Haughton from CIBC. Your line is open.

David Haughton — CIBC World Markets

Good day, Sean. Thank you very much for the update.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



Sean Boyd

You're welcome.

David Haughton

With Malartic, very good to see the rates exceeding the 55,000 tonnes a day. What should we be thinking about as a sustainable throughput at that operation?

Yvon Sylvestre — Senior Vice-President, Operations, Canada and Europe, Agnico Eagle Mines Limited

I think the 56,000 is a good really good number to focus on at this stage, going forward.

David Haughton

Okay. And does that alter in any way when Barnat comes on?

Yvon Sylvestre

Perhaps, yeah. The ore hardness has been defined as to be potentially softer in Barnat. We'll need to validate that.

David Haughton

Mm-hmm.

Yvon Sylvestre

But there's hope that the opportunity to have, perhaps less pre-crushing in that area to maintain that throughput rate.

David Haughton

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



Okay. Excellent. Over to LaRonde. The gold grade and, particularly, the zinc grade, was ahead of expectation. What should we be looking at for the remainder of the year, do you think?

Yvon Sylvestre

Pretty similar to what you saw in the second quarter. We continue to mine some zinc ore from the upper portion of the mine, which will continue throughout the rest of the year. And as we continue to develop the western pyramid grades profile that we've seen in Q2, we'll pursue.

David Haughton

Okay. And the throughput rate there. Should we be thinking similar to what we had in Q2, which was a bit of a dip compared to recent quarters?

Yvon Sylvestre

Yeah. Well, we had a one-week shutdown. We had a maintenance shutdown and an unplanned ball mill shutdown in the quarter. So I think you should model on Q1 rates.

David Haughton

Right. And last question for me, over to Kittila. Still mining and processing below reserve grade of 4.2 grams. What should we be thinking about for the grade there? And when would we expect for the grade to move into the 4-plus kind of category?

Yvon Sylvestre

Well, we've had some development delays, mostly in the Roura area. We had some minor grade stopes that—two or three higher grade stopes in the sequence that were supposed to be mined

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



in Q2 and Q3, that have been basically delayed through Q4 and Q1 in next year. I think you should be modelling the guidance grade for the year as starting in Q4.

David Haughton

Thank you, Yvon. That's fantastic.

Operator

Again, if you'd like to ask a question, please press *, 1 on your telephone keypad.

Your next question comes from Stephen Walker from RBC Capital Markets. Your line is open.

Stephen Walker — RBC Capital Markets

Just to follow up to David's question—excuse me. Zone 5, I know historically when Lac and Barrick were mining, there was a significant positive reconciliation, or at times there was good positive reconciliation. Are you seeing evidence of that? I know it's relatively modest production into 2019. But are the grades holding up as expected?

Yvon Sylvestre

Well, so far, the grades have been on target. We've seen some periods where grades have a little bit exceeded expectation. Recovery has certainly exceeded expectation at this stage but so far, pretty well everything is on prediction models.

Stephen Walker

Great. Thank you for that. And, Sean, just to step back, talking about free cash flow, and I think we've all got that modeled into our forecasts, 2019/2020. With respect to returning capital to

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



shareholders, in 2013 there was dividends of \$0.88 a share and clearly that declined as gold price declined, and you're kind of back up to \$0.44 a share.

I realize it's a Board decision as to what the return of capital may be in future periods. But do you have a view where you'd like to target the dividend? And at what point we could kind of get back up to the \$0.88? Or possibly above that level on an annual basis?

Sean Boyd

That's clearly gold price-dependent. But I think if we look at the history here, 35 years of paying a dividend consistently, even after 2013—not eliminating it—reducing it. But then since then, since it was reduced, we've moved it up each of the last two years, albeit small, but we still did move it up, sort of signaling our confidence in the plan to grow production and grow cash flow.

So it's certainly a focus of the Board, certainly a focus of the team when we're looking at capital allocation. If you ask us, we never really sort of have the specific numerical goals that, if we don't sort of get there, we feel that it's been a bust. But I would say that the one number that we'd certainly all like to get back up to or beat is that \$0.88 a share.

So we keep that in mind as we look at our budgeting, as we look at capital allocation to the pipeline. And I think that's one of the things about the pipeline which ties in a bit to this question, is that we're spending a lot of time prioritizing the pipeline. We do have the permit at Akasaba. That doesn't mean we're going to rush and start to build it, because we're doing our budget now, and we have an envelope in mind on capital that we want to spend for next year and the year after.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



So that's got to fit in, and the dividend would sort of play into that; the concept of return to shareholders would play into that discussion. So we're hoping that it can trend up. We feel confident it can, based on where the business is headed, but the gold price will be a determinant of that.

Stephen Walker

Great. Thank you very much for that, Sean. That's very helpful.

Operator

Again, if you'd like to ask a question, please press *, 1 on your telephone keypad.

Your next question comes from Carey MacRury from Canaccord Genuity. Your line is open.

Carey MacRury — Canaccord Genuity

Hi. Good morning. Sean, you mentioned some of the exploration that's happening underground at Amaruq. I'm just wondering if you could touch on exploration from an open pit perspective? Is there any confidence that you'll be able to increase reserves or resources from an open pit view this year?

Alain Blackburn — Senior Vice-President, Exploration, Agnico Eagle Mines Limited

Yes. It's Alain speaking, and we already have rigs on the site, eight rigs. And we have a good result on the western part of D zone. And depending of the design, what is economic, could be new answers coming from that deposit—could increase in the future. But we have good numbers right now.

Carey MacRury

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



Okay. Great. Then just wondering on the workforce as Meadowbank kind of winds down and Amaruq ramps up. Is it more or less the same workforce? Or are there changes going to be happening there?

Yvon Sylvestre

Well, the workforce that is at Meadowbank will essentially be the same, although there has been some transfer from Meadowbank to Meliadine. So that's proceeding as planned.

On the Meliadine recruitment side, I think we're following the plan as far as staffing up both the mill and the pit and the underground mine operations staff and service. And so far, we're tracking very well on getting the whole crew on board.

Carey MacRury

And you also mentioned the stockpile. How big a stockpile do you think you'd have before you start up the mill there, in terms of months of production? Or weeks?

Yvon Sylvestre

Well, at this stage, by the end of January, we could be in a position to have about 200,000 tonnes of high-grade stockpile on surface.

Carey MacRury

What sort of—what sort of grade?

Yvon Sylvestre

Around 7 or 8 grams.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

**Carey MacRury**

Okay. Great. Thank you very much.

Operator

There are no further questions at this time. I turn the call back over to Mr. Boyd.

Sean Boyd

Thanks, Operator, and thank you, everyone, for joining us on the conference call. We would like to remind you that we do have a site visit planned to Meliadine, September 6. That's sort of one full day; leave early in the morning from Toronto, return that evening. So that's an opportune time to come up and see the progress that we're making and will make through the summer, as we offload the barges and get some of the key components installed in the processing facility and the power plant.

So thanks again. If there is an interest, contact Brian or Ria (phon) or Melissa, and we'd be happy to have you join us. Thanks again.

Operator

This concludes today's conference call. You may now disconnect.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »