

Agnico Eagle Mines Limited**Q1 2026 Conference Call**

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PRESENTATION

Operator

Good morning. My name is Vincent (phon), and I'll be your conference Operator today. At this time, I would like to welcome everyone to the Agnico Eagle Mines Limited Q1 2026 Conference Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be 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 number 2.

Thank you. Mr. Ammar Al-Joundi, you may begin your conference.

Ammar Al-Joundi — President and Chief Executive Officer, Agnico Eagle Mines Limited

Thank you, Vincent. Good morning and thank you for joining our Agnico Eagle first quarter 2026 conference call.

I'd like to remind everyone that we'll be making a number of forward-looking statements, so please keep that in mind and refer to the disclaimers at the beginning of this presentation. Next slide, please.

We're pleased to announce a solid start to the year, with production slightly above budget and with costs in line with our guidance. This solid operating performance, coupled with exceptional gold prices, has allowed Agnico Eagle to announce yet another quarter of record net income, driven by record operating margins.

We are reiterating 2026 production guidance, with production expected to be weighted approximately 48 percent/52 percent between the first and second halves of the year.

We're also pleased to reiterate our cost guidance for 2026. This is no small task, given the uncertainties and pressures in the market over the past several weeks.

As you'll hear on this call, this has been a strong quarter across all of our businesses—solid operations, strong progress on moving our growth pipeline forward, continued exceptional exploration results, and, as mentioned, another quarter of record financial results. My team will go through all of this in more detail in a moment but let me outline and summarize what I believe are the three key messages that are important to take away from this call.

One, as mentioned, we're off to a good start to the year, with solid operating performance delivering record operational and financial results; record mill throughput at Macassa, record development rates at Meliadine, record pit tonnage at Detour.

We're delivering these solid operating results while doing an excellent job controlling costs, leveraging off our relentless focus on cost control while benefitting from certain structural cost advantages that derive from our business model. Including, for example, in both Ontario and Quebec, where we produce the majority of our gold, all of our electricity is either hydro or nuclear and, really, not exposed to changes in fuel and diesel prices.

With regards to Nunavut, where we do generate our own power through diesel, we've got a lot of that diesel hedged, both by necessity because we have to bring the diesel up in advance through a short barge season and we have it stored up there, but also by some very smart and proactive hedging by our Treasury Department with regards to diesel exposure. We've also got the benefit of lower employee turnover and the reliable supply chain that comes from being the best customer for decades in the safe regions in which we operate.

Two, we continue to strengthen our financial position and to increase returns to shareholders. This quarter, we paid a \$1.3 billion 2025 tax catch-up, we distributed \$375 million to shareholders, we invested almost \$400 million into our high-quality growth projects, all while increasing our cash position by almost \$250 million. At these gold prices, we will increase our share repurchases, and we are increasing our normal course issuer bid to \$2 billion.

And three, and perhaps the most important takeaway, we continue to aggressively reinvest in our business, into the best pipeline in the industry, into projects that deliver exceptional returns at relatively lower risk, and we are making steady progress, in many cases, ahead of schedule.

Dom and Natasha will spend some time talking about the projects they're moving forward to increase production at Agnico Eagle by up to 20 percent to 30 percent over the next decade, including Detour to 1 million ounces, Malartic to 1 million ounces, Hope Bay, Upper Beaver, and San Nicolás.

In addition, with the expected consolidation of our Finnish platform, we now see a path to further growth that comes from building a 500,000-ounce-a-year, multi-decade platform in what we believe to be the most prospective land package in northern Europe.

Guy will spend some time going over some of the continued great exploration results he and his team have generated, focusing on Detour and Malartic. But he'll also spend a bit more time talking about this Finnish land consolidation and what he and his team see as a long-term potential well beyond the Ikkari project.

Our strategy remains focused: focused on safe, responsible mining; focused on operational excellence, delivering reliable, low-cost production.

We have the best land packages in the most prospective and safest gold jurisdictions in the world. We have a path to industry-leading production growth over the next decade. Our execution of

delivering this growth remains on track. And at these gold prices, we think we can deliver this growth and reduce share count at the same time.

Now, before I turn the call over to Jamie, I need to spend a moment on safety. Tragically, we've had two fatalities over the past five months. This is not acceptable. I recognize and I accept that the responsibility for the safety of our people rests, ultimately, with myself and with my team. We've mobilized our teams to reinforce, across our company and at all levels and to all employees, our commitment to not only deliver on our guidance but to do so safely and responsibly. There is nothing more important than the safety of our people and our communities, and we commit to do better.

With that, I'll turn the call over to our CFO, Jamie Porter, to review our first quarter operating and financial results.

Jamie Porter — Executive Vice President, Finance & Chief Financial Officer, Agnico Eagle Mines Limited

Thank you, Ammar.

As highlighted earlier, we delivered another strong financial quarter, driven by solid operational performance and continued leverage to higher gold prices. We had several record financial results during the quarter, including adjusted net income of approximately \$1.7 billion or \$3.41 per share, and adjusted EBITDA of just over \$3 billion.

We generated about \$730 million of free cash flow in the first quarter. This is particularly impressive, given that we paid roughly 50 percent of our expected 2026 cash taxes, totalling \$1.8 billion in the quarter, of which \$1.3 billion had been previously disclosed as related to our 2025 tax liability.

First quarter gold production of approximately 825,000 ounces was actually slightly better than planned, with the lower production year over year reflecting mine sequencing at LaRonde, Macassa, and Fosterville. With the first quarter representing about 24 percent of the midpoint of our annual guidance

and production weighted to the second half of the year, we're well positioned to meet our full year production targets.

Total cash costs were \$1,093 per ounce, and all-in sustaining costs were \$1,483 per ounce, reflecting higher royalty costs associated with a significantly higher realized gold price, lower production volumes as expected, and a stronger Canadian dollar compared to the first quarter of 2025.

Importantly, costs continue to trend within our full year guidance ranges of \$1,020 to \$1,120 per ounce for total cash costs, and \$1,400 to \$1,550 per ounce for all-in sustaining costs.

While we continue to monitor cost volatility, including diesel prices and foreign exchange movements, we believe our regional operating model, local procurement strategies, and disciplined hedging program provide meaningful mitigations against potential cost pressures.

With respect to diesel prices, our 2026 cost guidance assumes an average diesel price of \$0.78 per litre. Direct diesel consumption, covering mobile equipment and on-site power generation in Nunavut, is estimated at approximately 108 litres per ounce of gold produced, representing roughly 7 percent of our total operating cost base.

We believe that our exposure to diesel price volatility is below industry average, reflecting the fact that the majority of our gold production comes from underground mines, which are generally less diesel-intensive than open-pit mines. Further, the majority of our gold production is from mines located in Ontario and Quebec, which benefit from access to non-oil-based grid power.

Overall, our sensitivity to diesel prices is estimated such that a 10 percent change in diesel prices results in roughly a \$6-per-ounce impact on annual total cash costs after taking into account our hedge position. We do not currently anticipate any disruption to our procurement strategy for fuel or other key consumables, and we remain comfortable with our full year cost guidance.

We turn to Slide 5. We are in the strongest financial position in the Company's history. We continue to deliver meaningful returns to our shareholders, alongside further balance sheet strengthening and disciplined reinvestment in the business.

During the quarter, we returned approximately \$375 million to shareholders through dividends and share repurchases, representing roughly half of free cash flow.

As previously announced, we intend to renew the normal course issuer bid in May on substantially the same terms, with an increased limit of up to \$2 billion. And at current gold prices, we are still targeting returning approximately 40 percent of annual free cash flow through dividends and buybacks.

We will also look for opportunities to offset dilution from the proposed Rupert Resources acquisition, including potentially returning proceeds from portfolio investment sales through additional share repurchases.

In parallel, the balance sheet keeps getting stronger. At the end of the first quarter, our net cash position increased to approximately \$2.9 billion, giving us one of the strongest balance sheets in the sector. This strength was recognized recently by Fitch, which upgraded Agnico Eagle's long-term issuer rating to A- with a stable outlook.

At the same time, we continue to reinvest in the business, advancing our five key pipeline projects that are expected to underpin long-term production growth of 20 percent to 30 percent over the next decade. We are exceptionally well positioned in the current gold price environment with a continued focus on disciplined capital allocation and long-term shareholder value creation.

With that, I'll turn the call over to Dom.

Dominique Girard — Executive Vice President, Chief Operating Officer – Nunavut, Quebec & Europe,
Agnico Eagle Mines Limited

Thank you, Jamie. Good morning, everyone.

In my section, I'm going to talk about the update on operations and projects for Quebec, Nunavut, and Finland.

For the first quarter, a good start, led by Malartic and Meadowbank on the production, and we are in good position for the full year cost and production.

An important milestone in the first quarter at Malartic, where we took the first stope at East Gouldie, via the ramp, approximately 1 kilometre underground. Why it's important: based on the 2023 study, we're going to mine there up to 2042, but based on what we know now, we're going to be mining there up to 2060, most probably. Most probably, I will not be the COO at that time, but we have good bench that's going to take it from there. So it's very positive.

And on the shaft sinking, I'm going to talk a bit about that next slide. Shaft sinking and also production hoist, it's also going well. The plan is to bring that ore to the surfaces via the shaft mid-2027. Everything is aligned.

On the continuous improvement, an important milestone achieved at LaRonde. They were working on that since a couple of years to do autonomous hauling. So it's a good example of leveraging the synergy into the region using the LZ5 expertise.

So what is that, autonomous hauling? We are taking the ore from the 3.2 kilometres underground up to 2.9 kilometres without drivers. So this is a real example of a positive impact using technology. Instead of operating, let's say, or using four trucks and eight operators, four day shifts, four

night shifts, those guys in the current situation, they are able to operate effectively 10 to 12 hours per shift just by the time to go underground.

Using the technology, we're able to use two trucks operating by one person, one night shift, one day shift, so total of two, and we're able to operate on a 20-hour basis. So it's a clear example of using technology to improve productivity, and very good job done at LaRonde on that.

Also, in Finland, what we did, we took three and four people, key people from each site, from mainly Canadian operations, I mean the GMs, the key guys in the continuous improvement, the VP, we bring them to Finland to see what they did there. It was the first time for most of the people, not just to see the reindeers, but also the Finland site. And it was about how they did it in Finland, the mindset on continuous improvement, their leadership, and the tools they were using. And it was also a very good opportunity to build relationships and sharing best practices through our key people into the Company.

Guy's going to talk about that, but very happy also about the Ikkari, what's going on. It's very positive for the Finland team. Next slide.

On the growth projects, Malartic, the ramp and shaft, as mentioned, going well. The pilot hole for the first—for the second shaft is done, down to 1.8 kilometres underground, no issue related to that. And the study continues on the shaft 2 in Marban in the Wasamac study. It's progressing well, and we're looking to give you an update in September later this year.

At Hope Bay, look to the picture. So, we are in good position. That was our goal. We are in good position to potentially announce the construction in May with the board. So the camp is ready. The fab shops are ready to welcome the construction team. The mill is empty, ready to go. And we are in good position for the engineering. That was an important goal, so we're going to be over 50 percent. That guarantees and gives us confidence into the cost and into the schedule.

We're going to give you more detail at the visit at site for the lucky ones that are coming because we're going to have a muskox on barbecue, charcoal barbecue. So this is a—the team is working on that. That's going to be a good thing.

Before giving the mic to Natasha, the visit at Hope Bay, you're going to see the picture of the first 10 years. But we're going to most probably be there for many 10 years. And that's what Guy is going to show you, into the car shaft (phon), what is our vision onto the region.

And also, the last two years, we focused on infilling the patch, the new deposit, and to be ready for that study. But Guy's also gearing up to restart treasure hunting into the Hope Bay site eventually, more next year and the years after.

So, on that, I will pass the mic to my great colleague, Natasha.

Natasha Vaz — Executive Vice President, Chief Operating Officer – Ontario, Australia & Mexico, Agnico Eagle Mines Limited

Thanks, Dom. And good morning, everyone.

I'll cover the operational highlights for Ontario, Australia, and Mexico.

So the regions delivered good performance to start the year. At Detour, they hit a quarterly record in tonnes mined, but they also had a record mill throughput for the first quarter with the lowest turnover—quarterly turnover—that we have seen since the mine began open-pit operations.

Over at Macassa, the mill here also delivered record quarterly throughput as a result of the ongoing optimization initiative, as we ramp up that mill towards over 2,000 tonnes per day by the end of the year.

Now despite this progress, total mill tonnage was below plan this quarter, and this was mainly a function of challenges we faced with our old paste plant while commissioning the new one, which we expect to be fully operational in Q2.

At Fosterville, they also performed very well this quarter. There was a significant step change in productivity, and that's really due to ongoing mine optimization efforts. Improvements this quarter were seen in both development and stope cycling.

And it was the same with Pinos Altos. The team there continues to work very hard on initiatives to safely extract the most value from their asset.

Now in terms of initiatives this past quarter, Dom spoke about our knowledge-sharing trip to Finland to help other sites understand their continuous improvement journey and really inspire them to do the same. And of course, it was really great to network, to gain alignment, to collaborate with other sites.

And another good example of collaboration between sites and really maximizing the value of our assets and of our infrastructure was between Macassa and LaRonde. I just want to take a quick second to recognize both teams here. They worked very closely together over the last few months and with a coordinated effort, they were successful in receiving the approval to allow ore from the AK deposit to be transported and processed at the LZ5 facility.

At Macassa, we also successfully completed the installation of the LTE network underground. The connectivity is expected to support a range of optimization initiatives, including the implementation of a dispatch system and enabling the site to obtain short interval control. And this can enable us to make decisions quicker, to become more agile, to become more productive and, as a result, further optimize our costs.

So these are just a few examples of our ongoing productivity focus and our operational improvement initiatives.

Moving to the next slide, I'll give you an update on the projects in Ontario and Mexico.

The Detour Underground project, that plays a very big role in the plan for the complex to be a 1-million-ounce producer annually. We're still in the early days of this project, but we're making very good progress, and we're advancing on schedule.

We continued to advance the exploration ramp and have achieved just over 820 metres of development, reaching a depth of about 147 metres. We also began excavating the overburden for the conveyor portal, which is near the mill, and progressed work on the camp extension. And to complement the planned bulk sample, we initiated a high-intensity drill program in an area being considered for mining as early as 2028, and Guy will speak to this program shortly.

Over at Upper Beaver, there have been a lot of progress made this quarter with both the ramp and the shaft advancing ahead of schedule. The ramp has advanced over 500 metres in the quarter and has reached a depth of 108 metres. The shaft sinking, which commenced in the fourth quarter of last year, has already reached a depth of 382 metres. And similar to Detour, to complement the planned bulk sample at 760 level, the high-intensity drill program continued during the quarter.

Now with respect to San Nicolás, we're waiting on the regulatory decision for key permits. But in the meantime, we're continuing to advance the engineering of the critical infrastructures, which will help further de-risk and build confidence in our execution strategy. We're also continuing to continue with the drilling activities focused in on condemnation drilling and geological evaluation near the planned mined area.

Finally, I'd like to close by just recognizing the teams at our operations and our projects for their very disciplined execution in the first quarter and for their continued focus on advancing our optimization initiatives and our key projects as we move through the year.

And so with that, I'll turn the call over to my friend Guy.

Guy Gosselin — Executive Vice President, Exploration, Agnico Eagle Mines Limited

Thank you, Natasha, and good morning, everyone.

Pleasure again to be able to report on progress we're making in exploration as, obviously, it is one of the key components to be able to deliver that 20 percent-to-30 percent growth that we are promoting.

We had an excellent quarter in terms of diamond drilling, completing 25 percent or nearly 360 kilometres of drilling of our overall budget of 1.4 million metres for the year, having 127 rigs in operation on mine sites and key value-driver projects.

We continue to advance in our journey in exploration to make drilling safer and more productive while maintaining a unit cost in the same order than the last couple of years, aiming to offset inflation with gains in productivity.

Going to specific projects on Slide 10.

In Malartic, 35 drill rigs are in operation, completing 75,000 metres in Q1; 16 underground, 13 on surface, in proximity to the Odyssey infrastructure, and 600 on regional targets, including Marban deposit across the 3 (phon).

At Odyssey, as mentioned by Dominique, the shaft and the ramp development are progressing ahead of schedule, and a first stope is currently being mined at East Gouldie, which is quite exciting, considering the discovery hole in East Gouldie was made just a couple of years ago in 2018, and that we

are already there with the ramp and the shaft because of the great collaboration between the various teams to turn it from a discovery into a mine in such a short period of time. This is impressive.

We continued to get strong exploration results at East Gouldie, with 6.7 grams over 36 metres on level 105 in the centre of the ore body, and also in the internal zone between Odyssey North and Odyssey South, with a new structure that returned 9 grams over 53 metres core length. Although we do not have a full understanding yet of the true thickness of that structure, it continues to show the additional upside we see both in the internal zone at Odyssey North and South, and in East Gouldie, that keeps growing laterally.

And on the adjacent Marban project, lateral exploration drilling continued to the west and to the north of the proposed open pit, while we are at the same time advancing with the condemnation drilling program to confirm the potential location of surface infrastructure.

Now on Slide 11. At Detour Lake, nine rigs completed close to 40,000 metres of drilling in the first quarter, in line with our budget. Drilling was continued to focus on the western extension of the ore body to the west of the open pit, where we are contemplating to initiate mining underground early on, utilizing the exploration ramp.

Some strong results, such as 8.9 grams over 14 metres at 190-metre depth, and 10.7 grams over 10 metres at 500-metre depth, shows a strong potential for high-grade underground mineralization over a large area that extends over more than a kilometre now, adjacent and to the west of the open pit, where the exploration ramp is currently being developed.

Briefly, at Hope Bay, as mentioned by Dominique, we've had a great quarter in terms of drilling on ice, thanks to the team's great winter drilling program. We started early. We've completed north of

33,000 metres of drilling as of the end of March. And a full update will be provided on the May 19 press release, along with the project announcement we've been talking.

And finally, on Slide 13, in Finland, I would like to provide some colour on the recent announcement we made, with an offer to acquire all of the outstanding shares of Rupert and Aurion Resources, along with the 70 percent interest of B2Gold and the Fingold JV. It was a great job by our corporate development team and legal team.

With these three combined transactions adding to our current landholdings, we will be consolidating close to 2,500 square kilometres, consistent with our corporate strategy of focusing on regional hubs, leveraging our 20 years of experience in exploration, permitting, mine construction, and operations, with a strong social licence to operate in the most fertile greenstone belt in Europe.

By combining the Finnish workforce of Agnico along with the workforce of Rupert and Aurion and removing property boundaries, we will aggressively explore, in the near term, the immediate lateral and lateral extension of the Ikkari deposit, as well as the multiple occurrences that were identified on the Fingold JV and the large land position owned by Rupert and Aurion.

Personally, it reminds me a lot about Kittila mine acquisition in 2005. At the time of the acquisition, there was approximately 2 million ounces, down to less than a kilometre. And 20 years later at Kittila, it grows down to and still open at depth below 2 kilometres, with a global endowment of 10 million ounces, considering past production reserves and resources known so far. I see a similar potential on the structure that holds the Ikkari deposit, and as these mineral systems are similar to our Canadian greenstone belts that have demonstrated extended vertical geological fertility.

By these transactions, we are aiming to deliver in Finland a platform for multiple mines over multiple decades, similar to the three regions in Canada, that are Quebec, Ontario, and Nunavut, where we will be leveraging our regional expertise.

And on that, I will return the microphone to Ammar for some closing remarks.

Ammar Al-Joundi

Thank you, Guy. And thank you, Jamie and Dominique and Natasha and everyone else on our team. Really exceptional work, really tremendous results. Well done.

As you can see, we continue to work hard for all of our stakeholders, and we'll continue to build off the same foundational pillars that have defined our strategy and that have served us very well over the past almost 70 years.

We will focus on the best mining jurisdictions, based on geologic potential and political stability. We'll be disciplined with our owners' money, making investment decisions based on technical and regional knowledge, creating value through the drill bit, and through smart acquisitions where and when it makes sense.

We are uniquely well positioned with a quality project pipeline, leveraging existing assets in the best regions in the world, where we believe we have a competitive advantage. And we will continue to be focused on creating value on a per-share basis and on being leaders in our industry in returning capital to shareholders, as evidenced by over 43 years of consecutive dividend payments and increased share buybacks.

We have a clear and executable strategy to create tremendous additional value per share for our owners well into the foreseeable future, with manageable risk, leveraging off existing infrastructure and regional competitive advantages.

We have the assets, we have the projects, we have the resources, and we have the people. We are making it happen right now. We will stay focused, and we will not be distracted.

Thank you again for joining us on this call. And for many of you, thank you for decades of trust and support. We will always work hard to maintain that trust, and we will never take it for granted.

Operator, may I ask that we now open up the call for questions?

Q&A

Operator

Ladies and gentlemen, we will now begin the Q&A session. And again, if you would like to ask a question, just press *, 1 on your telephone keypad.

First question comes from the line of Lawson Winder from Bank of America Securities. Please go ahead.

Lawson Winder — Bank of America Securities

Thank you very much, Operator. Good morning, Ammar and team. Great to hear from you all and thank you for the update.

I would like to start off with the Finnish acquisition, and we haven't had a chance to ask you guys about this in this type of forum since the announcement. And, Guy, thank you very much for the picture you painted and for the colour on getting to 500,000 ounces. But can you help us understand what are the sort of value creation steps over the next 12 to 24 months to get to a better understanding of what that ultimately looks like? So, resource update, study, when do you expect permitting to start, and just any other considerations along that sort of timeline thinking. Appreciate it.

Ammar Al-Joundi

I can start, but maybe Dom and Guy can jump in on more details. The first thing, Lawson—and by the way, nice to hear your voice. The first thing, Lawson, really was to consolidate all of this property. There's a lot of potential. They're good properties, but they were individually constrained.

And so that's why it was very important for us—and as mentioned, our entire team but, in particular, the corporate development team and the legal team, did a really good job in allowing us to consolidate all of this at the same time. It's really—first and foremost, and then I'll pass it over to my colleagues—about consolidating what we think is the best land position in Europe.

Dominique Girard

Thanks, Ammar. Lawson, Dominique speaking.

Maybe, I think what, on my side, I need to do is to free the scope of that one, let's say, without the boundaries, where we should put the mill, the tailings, and revamp the schedule—the study, based on the new acquisition. And the exploration guys are all excited to add, but we're going to need to kind of try to kick that project for a first start in, but also to get some flexibility, maybe, for example, at the mill, to make sure—it's always a challenge to get enough detail into the studies to push that into the permitting. And that's what we're going to focus by staffing the study team and, eventually, the construction team.

Guy Gosselin

So maybe in complement, Lawson—Guy speaking now—as we discussed in the press release, our plan, by removing the property boundaries, is to have sort of an updated view with the current information by the end of 2027, where we're going to have sort of a better picture of what the optionality that removing the property boundary offers on both the optimum pit design and location of infrastructure.

And while we're going to, right away, as a matter of fact, start drilling once the acquisition is completed, because we know as well that property boundary was also constraining the drilling close to

the property boundary, so. But that's our intent. By the end of 2027, we should have an idea of the kind of a revised concept, based on the current information, while we're going to continue to drill and maybe look at other iterations.

So maybe, like you can refer to what we did in Malartic. We're going to be providing, most likely, a first version of what it could be and then keep drilling and adjust, based on what we're going to discover.

Lawson Winder

Okay. Thank you. That's helpful. And then just a follow-up from me with respect to the Detour Lake underground drill results. There were some really, really substantial intercepts, of course. With the drilling you've done to date, has your understanding of what the Detour Lake underground can be? Has it evolved and changed in any way in the past, let's say, 12 months? I mean, is it starting to look like it could be a much bigger system? And are you possibly reconsidering what the ultimate development plan might look like for the Detour underground?

Guy Gosselin

Well, I would like—well, to me, the area west of the pit is very similar to what was historically mined on the ground at Detour, that we are now mining with the pit closer to surface. So obviously, we are showcasing a couple of great results.

On average, we think that, that area will be anywhere between maybe 2.5 and 3.5 grams, something like that. And obvious, when you put those, some spectacular results, along with some others that are in the 2, 3 grams over 20, 30 metres.

So it's in line with our expectation. It's in line with—but we're actually just firming up the model of that zone. As you know, we are mindful of the history at Detour. In order to selectively mine the high-grade ore, you need a ton of drilling. You need the right drill spacing. When we are getting there with the

ramp, we're going to be soon being able to drill it more aggressively from underground as well, from the exploration ramp.

So it is shaping up as we thought. It's always an area that I personally liked a lot west of the pit.

Natasha Vaz

Hi, Lawson. Just to add to that—it's Natasha, by the way. Just because of the—we do have a study team looking at this and looking at different iterations as we proceed with the exploration program. But with the combination of the exploration success and the high gold price environment, there is definitely optionality here at Detour.

So it's fairly early stages, I would say, but the team is looking at different trade-offs for, potentially, a higher milling capacity, a larger underground, potentially another pushback at the pit. But, again, very early days.

Lawson Winder

Okay. Fantastic. Thank you, all, very much.

Operator

Your next question comes from the line of Fahad Tariq from Jefferies. Please go ahead.

Fahad Tariq — Jefferies

Hi. Thanks for taking my question. In the quarter, there was an announcement about a Nunavut collaboration agreement with B2Gold. Can you maybe just talk about the thinking behind that and what you hope to learn from their operations at Goose? Thanks.

Ammar Al-Joundi

It's Ammar here. I'll start, and then maybe Dominique or Jean can comment.

In general, we always like to try to work with our colleagues and our peers. We have a lot of experience in the areas we operate. We think we have some competitive advantages, but we're not so naive to think that we know everything. So anytime we get an opportunity to work with our peers to see what they're doing, we take advantage of that. I think our owners would want us to do that.

And also, from B2's perspective, they're good people. We know them well, and they think that we do a good job where we operate, and they want to see if they can learn a little from our operations as well. So it's just the kind of stuff that we want to do in the industry. I think that's probably good enough on that.

Fahad Tariq

Okay. And then maybe just one for Jamie. I noticed the buyback pace slowed down quarter over quarter in the first quarter. Is that just a function of the pretty significant cash tax payment? And can you just remind us of the minimum cash you'd like to keep on the balance sheet going forward? Thanks.

Jamie Porter

Yeah. No. That's exactly right. I mean, we said—we put out our guidance in February that we'd be targeting returning about 40 percent of our free cash flow through a combination of the dividend and the share buyback. Our free cash flow was lower in Q1 as a result of the cash tax payment. So I think the percentage worked out to closer to 50 percent. It was \$150 million of shares repurchased in the quarter, which was half of what we did in Q4. That will ramp up, certainly, in Q2 and through the rest of the year as our free cash flow is expected to be higher.

In terms of minimum cash balance, I mean, I think we're comfortable where we're at now with \$3.1 billion of cash, \$2.9 billion of net cash, between \$3 billion and \$5 billion. I think that's a good position

to be in, in terms of just giving us financial flexibility to be able to execute on our strategy. But, yeah, definitely higher share buyback activity expected through the remainder of the year.

Fahad Tariq

Okay. Great. Thank you very much.

Operator

Your next question comes from the line of Josh Wolfson from RBC Capital Markets. Please go ahead.

Josh Wolfson — RBC Capital Markets

Yeah. Thank you very much. Appreciate the additional disclosure on the energy sensitivity side of things.

I had a question in terms of the Hope Bay project update later this month. In looking at the current market for prices, there's obviously been a high degree of inflation. How are you thinking about incorporating some of those input prices for that project update and thinking about maybe the near-term impact versus what otherwise would a long-term, much more reasonable price be? Thank you.

Ammar Al-Joundi

Hi, Josh. It's Ammar here. I'll start and then Dom will jump in.

In my experience, the most important thing in building projects is to get the engineering done and to have the execution plan well laid out. We have seen some inflationary pressure but, actually, it hasn't been that bad. And the team, as Dom said, I mean, you looked at the picture. The camp is going to be there. The backup power is there. The mill building, half the mill building is there. Water treatment is there.

So we're coming to this with an advantage of the infrastructure in place, which allows us to execute. I mean, it's all about execution. But also, exceedingly important is the amount of engineering the team has done, which allows them to get a much better control overall on execution and, therefore, on cost. Dom?

Dominique Girard

Yeah. Josh. In May, we're going to give more detail on the economics. That's going to be, obviously, a positive economics. And our assumptions are based on the long-term view. We're going to give you some sensitivity to understand how that could impact, and we don't know the future. But as Ammar mentioned, I'm very comfortable where we are right now. We've been mining in Nunavut over 17 years, and we've built already three projects with Meliadine, Meadowbank, and Amaruq. So it's a good time for Nunavut to add another—it's going to be over 400,000 ounces per year, and that's going to bring us to potentially 1 million ounces per year into the Nunavut platform.

Josh Wolfson

Great. Thank you. And then another, I guess, two-part question for Malartic. I mean, first question there is, what drove the grade improvements this quarter? And I guess we saw something similar last year. Should we expect to see it going forward?

And then second part is just on this September update that you referenced. Given that we had expected, I guess, the shaft project completion not really until year-end and then a larger update in the second half of next year, how should we be thinking about what information is disclosed ahead of that completion in September? Thank you.

Dominique Girard

Yeah. Just for the grade, it's a question of sequencing mainly into the Barnat pit. That's the only thing that changed that. And I will let Jean-Marie answer on the second part.

Jean-Marie Clouet — VP Investor Relations, Agnico Eagle Mines Limited

Hi, Josh. Yes. In September, like the plan would be to provide an update. So the last update we did for Malartic was in June 2023.

What we want to reflect in September is the update in the reserves resources that we've seen over the last few years, and also start giving a better idea in terms of how the second shaft, Marban, and Wasamac start to fit together, start giving ranges around like what we think it will cost and operating. But you're right. The studies will be later in the year, but we should be able to provide a very good picture of what Malartic will look like to get to the million ounces per year.

Josh Wolfson

Great. Thank you. Looking forward to that update.

Operator

Your next question comes from the line of Daniel Major from UBS. Please go ahead.

Daniel Major — UBS

Hi, Ammar and team, and thanks for the questions. Yeah. First question on the Finland acquisition and then around the kind of balance sheet and the capital returns.

First question is, was there a reason for using Agnico shares rather than cash specifically?

And then, I guess, the second part. You alluded to exceeding the 40 percent cash flow payout, potentially, in order to reduce the share count following the acquisition. Can you give us a sense of kind of quantum? You could be at \$3 billion to \$5 billion of net cash quite quickly through the year. Should we

expect that as a limit to the cash balance you'd want to hold and how that would flow through to the buyback?

Ammar Al-Joundi

Well, thank you for the question. Ammar here. I'll answer the first one and maybe, Jamie, you can answer the second question.

With regard—it's a very good question on why we used shares instead of cash. And the answer is we wanted to use cash, and they wanted 100 percent shares. I think their view—and rightfully so—is, Agnico shares are good shares to have, and they wanted 100 percent shares.

We used full cash on the other deals. And I think Jamie, as part of his answer to the second, can also incorporate how we hope to offset a little bit of the share issuance through the rest of the year.

Jamie Porter

Yeah. Absolutely. So I think in our disclosure, Daniel, we referred to potentially increasing repurchase activity based on the sale of some of our portfolio investments. So if there's opportunities for us to do a little bit more, based on our views on valuation, we will do so.

With respect to kind of minimum cash balance, like where we are now, I'd say is we're very comfortable. And as the cash balance increases, we'll look at even more activity under the share buyback. But I'd say the minimum target's 40 percent. We may be able to exceed that, based on either our free cash flow performance or the proceeds of the sales of some of our investments.

Daniel Major

Okay. Thanks. And then my next question is on San Nicolás. I just saw Teck and Anglo American yesterday and discussed the project a little bit. But, I mean, it feels like it's somewhat subscale at 50

percent for either yourselves or the other partner. Have you had any discussions around the ownership of the project? And would you be, yeah, keen to consolidate if the opportunity arose?

Ammar Al-Joundi

Yeah. I think we would look at it. We still think it's a good project. I don't want to forecast what our colleagues and our partners are thinking. But obviously, if they said, hey, would you want to look at it, we'd look at it.

Daniel Major

Okay. Great. And then just one quick one, if I could, on Finland. I noticed Boliden deferred a pushback at Kevitsa because of the change in the taxation for the mining sector in Finland. Can you just give us any colour about how you're seeing that landscape with respect to Kittila and the new acquisitions?

Dominique Girard

Yeah. Yes, there's tax change in Finland, and this is included into our evaluations as well as our life of mine at Kittila. Yeah. We have been—

Jamie Porter

I was just going to add, the industry is lobbying the government to look at potentially changing the structure of those taxes to make certain additional things deductible to offset the impact. But all that was factored into our modelling.

Daniel Major

Okay. Great. Thanks a lot.

Operator

Your next question comes from the line of Bennett Moore from J.P. Morgan. Please go ahead.

Bennett Moore — J.P. Morgan

Good morning, Ammar and team. Congrats on the record quarter. Thank you for taking my questions.

I guess, following the land consolidation in Finland and as you continue to think about the Company's next leg of growth beyond the early 2030s, where does Australia fit in this picture? Do you see similar opportunities around Fosterville?

Ammar Al-Joundi

Well, thank you for the question. Actually, I was just out in Fosterville about a month ago and, I mean, it's such fantastic people. But we spent a lot of time on some recent, I would say, very good exploration results in and around Fosterville. I think, as some of you know, we've consolidated some land. That part of Australia was the original gold rush, and nobody's really focused on it for decades. And it's still very early, but I was quite pleasantly surprised with some of the results they were getting and the enthusiasm they had.

Now we get questions all the time about the rest of Australia. We think Australia's a great place to mine, not just for gold. But, I mean, you know us. We are very careful about what we do. We're very disciplined. And right now, we are—we continue to be focused in Australia at Fosterville and the team we have there and the opportunities around that.

Bennett Moore

Thanks for that. Then I think it's been about six months since you launched the Avenir business. So just wondering how this is progressing, what sort of new opportunities the team may be evaluating?

And then maybe you could also comment on what sort of critical mineral opportunities there may be around the Lapland Greenstone Belt as well?

Ammar Al-Joundi

Well, I mean, it's a good—I'll ask Guy to talk about sort of base metal and critical metals in the Lapland Belt because there are some.

Just with regards to Avenir, it's a really enthusiastic team. They are looking at a lot of things. What I would say is that they are naturally narrowing down what they're looking at and becoming more focused. It's an exciting business to be in. It is a separate entity. We're supportive of it. And just to repeat, we're not obliged to do anything, but it does give us an opportunity to see things that are well considered.

And maybe, Guy, you can talk about the non-precious opportunities in Finland.

Guy Gosselin

Yeah. So, yeah. So in addition, obviously, of what triggers our primary interest, which is the structure around the circle line and the main break, we also know that it's the same—to the north of that, that's the same rock package that hosts, basically, the Kevitsa and the Sakatti deposits that are nearby, that are nickel, copper, PGE. And even at the old Pahtavaara mine, it was some evidences of mass of sulfide that are potentially kind of a sign.

So we have all of the ingredients but, for us, we see that as potentially an add-on, and our primary focus remains to fully explore for gold. And if there's something else, because there's the fertility of the rock is there, we'll see.

Bennett Moore

Great. Thank you. Best of luck.

Ammar Al-Joundi

Thank you.

Operator

Your next question comes from the line of Anita Soni from CIBC World Markets. Go ahead.

Anita Soni — CIBC World Markets

Hi. Good morning, everyone. Thanks for taking my questions. I just wanted to ask a little bit about the cadence of the production ramp over the course of the year. So I think you said that in Q2, it'll be similar to Q1 production. And in Q1, there were, I guess, a couple of challenges with Kittila coming off of the shutdown and then the weather just impacting the restart there.

So what are the things that are kind of offsetting in Q2, if Kittila's going to ramp back up? And I would assume it's the caribou migration that I should be modelling. And then, going into the back half of the year, what are the things that are ramping up? It's the AK project, right, at Macassa?

Ammar Al-Joundi

Hi, Anita. It's Ammar here. Honestly, it's more just mine sequencing and where we are on the plan. You've got a good point on specific items that were in the first quarter. There are always—and we try to spread it out through the year, when we have maintenance, when we have shutdowns. We try to—as you mentioned, exactly right, there's always the uncertainty of the caribou season.

But I think our team is really quite exceptionally good at taking all of that into account and projecting through the year. We don't typically give 48 percent, 52 percent. We decided we wanted to do it because we just wanted people to know that, actually, everything's going quite well. And as mentioned, the first quarter was actually a little bit above budget. So there's nothing in particular. It's mostly just mine sequencing and various other elements that come into it.

Anita Soni

Okay. And then just from a longer-term capital allocation question, a lot of those questions have been asked and answered. But I just wanted to get an idea of, as you think about the cash balance increasing, where do your priorities lie in terms of capital? Just rank them again in terms of capital return

to shareholders. And, I mean, the balance sheet's pretty strong at this point, and you're accumulating a lot of cash. So where does reinvestment into the business now fall into the—has it moved up over the capital return to shareholders?

Jamie Porter

Yeah. Thanks, Anita. I'd say, I mean, reinvestment in the business is always a very high priority. Right? The five key value-driver projects that we're advancing are 30 percent to 60 percent IRR projects in the current gold price environment. So we want to invest as much as quickly as we can in those. And we're doing that. I mean, our capital spending has increased from \$2.3 billion last year to probably \$3 billion this year, all in. And we'll look to continue to find opportunities to accelerate that, to bring that production forward.

Beyond that, I'd say right now, in this gold price environment, we're fortunate in that we can do it all. We can afford to reinvest aggressively in the business. We can afford to deliver very strong returns to shareholders. I mean, 40 percent is kind of the floor for this year of our free cash flow being returned—I think is quite attractive—and we can continue to strengthen the balance sheet.

Having that \$3 billion to \$5 billion net cash position just gives us, again, the financial strength and flexibility to be able to execute on our business strategy, even in a much lower gold price environment. So I don't think our priorities have really changed. We'll continue to look for opportunities to accelerate reinvestment in the business while strengthening our financial position and delivering strong returns to shareholders.

Ammar Al-Joundi

We understand the questions. The exact position of cash on the balance sheet is as much an art as it is a science. It's a \$100 billion company, whether it's \$3 billion or \$4 billion or \$2 billion. Really, that's up to the discretion, primarily, of the CFO and Treasury.

But I just want to make the point, having been a CFO myself, it's not like there is an exact perfect number. What you want to do is look at all the circumstances at the time, make sure you have—the most important thing a CFO has on his table is liquidity for the company. And so, I think Jamie and the team are doing a great job balancing everything.

Anita Soni

Yeah. Agreed. Thanks for answering the question.

Operator

Next question comes from the line of John Tumazos from John Tumazos Very Independent Research. Please go ahead.

John Tumazos — John Tumazos Very Independent Research

Thank you very much for your service to the Company. I'm trying to make a back-of-the-envelope concept of the Ikkari mine or Central Lapland new mine coming in 2034. Is a fair guess, 15,000 tonnes a day times 2.25 grams times 95 percent recovery to get to the 500,000 ounces? And that that might cost \$1.2 billion when we get to 2034, all those years out?

Ammar Al-Joundi

Yeah. John, first of all, I'd like to thank you for your service to the industry. That's a very nice introduction.

We're still early in looking at that. Maybe, we can go through some of the details offline. I don't know, Jean, did you want to—I mean, we got to be careful because these are very, very early, and we're working on it. But go ahead, Jean.

Jean Robitaille — Executive Vice President, Chief Strategy & Technology Officer, Agnico Eagle Mines Limited

I can step in first. First of all, John, I'm very surprised with your question because I was expecting that you were asking how we're able to put all of this together at once. So a bit disappointed with the question.

But on this, listen, 10,000, 15,000, we will have to define it. And a function of the throughput, we will arrive with the minimum of, let's say, 200,000 plus. We'll be careful before we will provide any number. But I'm more focused on looking what it will be one day. And as Guy described, it's a high potential. And I think this is where I would like that we bring most of the attention, what it can be eventually. So we are excited with the consolidation.

And stay tuned because I think, moving forward toward the end of 2027, we'll have more to say. Guy?

Guy Gosselin

So and, John, just what we are referring to in our press release is a platform of 500,000 ounces when combining Kittila and Ikkari together. That's currently, and so we need to work if we can make it bigger than that, and we cannot work on the ... But just to make it clear, the 500,000 is just solely for Ikkari. It's our vision of the platform for the time being.

John Tumazos

Let me ask another one, if I may, and thank you for the clarification. I was assuming we were only talking about the new property. I was guessing the CapEx, and then the consideration for the three purchases, and on the 4.22 million ounces of current resources, slightly larger than the 3.5 million ounces of reserves. At \$1.2 billion development capital, it works out to \$1,268-an-ounce acquisition and CapEx to develop. Should we be assuming that the resources are going to double or triple, and that that's not the new normal for how much we're going to pay for developing mines?

Ammar Al-Joundi

Yeah. John, it's Ammar here, and I think this is probably the way that we look at it. The acquisition cost worked out by our internal assessment. And remember, we know this project quite well. We've been there for six-plus years looking at it.

We acquired it, effectively, by our own internal models, at quite a good discount to NAV, just based on what we felt on our own, what we thought were fairly conservative. So we've acquired an asset in a region we know well, that we have been looking at for six-plus years, at a considerable discount to NAV. And we got the rest of the land package for free.

So we're excited about it. We think it makes a lot of sense. I can't get into all of the numbers except to say, in our usual fashion, we did an awful lot of homework before we decided to proceed.

John Tumazos

Thank you.

Operator

Your next question comes from the line of Tanya Jakusconek from Scotiabank. Please go ahead.

Tanya Jakusconek — Scotiabank

Good. Thank you very much for taking my questions. So my first question is for Dominique. Dominique, I hope that snow will be gone from Hope Bay when we're up there. That picture showed quite a lot of [audio gap] our barbecue. I just wanted to ask, because we've seen capital increases lately at some of the projects out there, should we still be thinking that \$2 billion for Hope Bay would be a reasonable capital for the 10-year mine plan that you've been talking about?

Dominique Girard

Hi, Tanya. Yeah. We see a bit of inflation, but it's going to be below \$2.5 billion for sure. And the thing we need to finalize—we have a very good, now, let's say, level of engineering. But there's a decision that we're taking, for example, to fast-track Patch 7 and to do more ounces earlier. For example, to start the mill right up at 6,000 tonnes per day—well, it's going to be a ramp-up, but the mill's going to be designed right up front at 6,000 tonnes per day, compare what we did with Meliadine.

And also, for example, we're looking to add one more wing to keep the drilling ongoing, and to let Guy doing a treasure hunting onto the property. So there's decisions that we're taking internally that, at the end of the day, affecting the initial CapEx, but it won't be a big surprise. It's going to be slightly over \$2 billion.

Ammar Al-Joundi

And the changes are not so much inflation. They're more—

Dominique Girard

Yeah.

Ammar Al-Joundi

—instead of ramping up the mill in two stages just because of the economics, you just do it all at once. And, as Guy said, do you invest in some peripheral infrastructures so that we can continue to accelerate exploration.

Tanya Jakusconek

Okay. That's helpful. It's over \$2 billion slightly because of plant rather than inflation.

Ammar Al-Joundi

Yeah.

Dominique Girard

Yeah. Sure.

Tanya Jakusconek

Okay. Now that I have you, I have just two quick questions for you. You mentioned the strategy in Australia, which was to focus around Fosterville and drilling that platform to see what you have there. In Mexico, besides San Nicolás, is that—do you have anything else that you're looking at to expand that platform?

Ammar Al-Joundi

At San Nicolás?

Tanya Jakusconek

Mexico itself, besides—

Ammar Al-Joundi

Well, so we are looking at opportunities to expand San Nicolás but, beyond that, Tanya, there's really nothing substantial that we're seeing as an opportunity in Mexico.

Tanya Jakusconek

Okay. Okay. Thanks for that. And then my final question, Ammar, for you. It's always tragic to hear about fatalities for everybody in the mining industry. And so my question to you is, from your tragic incidents that you've had at your mine sites, what have you learned? And what changes to procedures and processes have you put in place from these learnings?

Ammar Al-Joundi

Well, thank you for asking because it is very important, Tanya. I think that we've learned what we already know, which is never, ever slow down in emphasizing the importance of safety. And sometimes, it's really disappointing. It's the routine things, the things that people do every day, that they get too comfortable with. That's human nature, and it is our job to really just push it. What we did was we mandated a stand-down, where we took every employee in at all of our sites, every single one, and reemphasized it.

We have a very sophisticated and comprehensive safety program, like most of our peers. And frankly, it's really devastating to have had those fatalities.

Tanya Jakusconeck

It seems that it was just routine things, so nothing that you would have changed, I guess is what you're saying, from procedures and processes?

Ammar Al-Joundi

Well, I mean, I think that—yeah. I don't want to get into detail. There's a lot of work still ongoing. These weren't things that ... Actually, Carol, why don't you jump in? Sorry.

Carol Plummer — Executive Vice President, Sustainability, People & Culture, Agnico Eagle Mines Limited

Hi, Tanya. And, as you can understand, that any loss of life is a tragic loss of life. In both of these instances, the in-depth investigations are still ongoing. The authorities are involved, and the regulatory

authorities and so on are involved in these investigations as well. So we can't share the results of these investigations yet but, certainly, there are learnings around this.

We're sharing to the degree possible, not just internally, but to industry peers where there has been something that we can start sharing immediately, to make sure that these types of accidents couldn't happen elsewhere.

And really, for us, we're really, as Ammar said, reemphasizing just the importance of safe production and making sure that we're following our procedures and always looking for the risks in the workplace and how we can mitigate those risks. So to that end, we've been looking at major hazards, which are the hazards of things that could actually be a life-changing accident and putting in place critical controls.

So we're continuing down that road, and I think that's a really important step for us as we continue on that journey towards zero accidents.

Tanya Jakusconeck

Yeah. Thanks, Carol. For sure, all sharings for the mining industry are all beneficial. Thank you.

Operator

There are no further questions. I'll turn the call back over to Ammar.

Ammar Al-Joundi

Thank you, everyone, for joining us, and everyone have a nice weekend. Thank you.

Operator

Ladies and gentlemen, this concludes today's conference call. Thank you for participating. You may now disconnect.