

Agnico Eagle Mines Limited**Q3 2025 Conference Call**

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PRESENTATION

Operator

Good morning. My name is Dani, and I will be your conference Operator today. At this time, I would like to welcome everyone to the Agnico Eagle Mines Limited Q3 2025 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 *, 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, Operator. Good morning, everyone, and thank you for joining our Agnico Eagle third quarter 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.

Once again, we are pleased to be sharing a good news story with you.

In a nutshell, with record gold prices, with strong and, importantly, safe production, along with continued solid cost control, we are once again delighted to be reporting record financial results.

Across all metrics, our business is running well, and beyond the record financial results, we continue to invest in the best pipeline we've ever had, and we continue to invest in the most ambitious exploration program we've ever had, which continues to deliver exceptional results.

With almost 70 years of history behind us, we have never been stronger than we are now, and we have never had a better future than we have today.

Before I turn this call over to my colleagues, who will go through our business in more detail, I'd like to spend a few minutes to summarize the key takeaways.

One, we're reporting record financial results driven by, of course, record gold prices, but coupled with strong and consistent operational performance.

We delivered another exceptional quarter of strong production at 867,000 ounces, putting us, year to date, at 77 percent of our full year guidance range. We sold that gold at an average price of \$3,476 per ounce, another record, and a full \$20 per ounce higher than the spot average in the quarter. Well done to the Treasury team.

At the same time, we continue to work hard to control costs, which means we continue to deliver benefits of these record gold prices to our owners through record margins.

While our reported Q3 cash costs of \$994 an ounce are higher than the previous quarter, the majority of this cost increase is due to higher royalty costs, which are a direct result of the higher gold prices.

If we back out the impact of these higher royalties which, again, are the direct result of higher gold prices, our Q3 cash costs would have been \$933 an ounce, well below the midpoint of our cost guidance range.

Year to date, our average cash costs are \$943 an ounce. Again, if we back out the impact of higher royalties, our year-to-date average cash costs would be \$909 an ounce, well below the bottom end of our cash cost guidance range for the year.

All of this—the record gold prices, the solid production, the continued good cost control—has led to another quarter of record financial results for our owners: record EBITDA, record adjusted net income, and record returns to our shareholders.

Two, we continue to strengthen the Company, to strengthen the balance sheet, and to return record amounts of cash to our owners.

We repaid \$400 million of debt this quarter. We returned \$350 million directly to shareholders through dividends and share repurchases. And we increased our net cash position to \$2.2 billion while, at the same time, receiving an upgrade in our credit rating.

Three, we continue to invest heavily in building the foundations of our future growth; advancing construction, development, and studies of our five key pipeline projects; and investing heavily in an exceptional exploration program.

At Malartic, we are ahead of schedule on the underground development, ahead of schedule on the shaft, and progressing studies for Marban, Wasamac, and a potential second shaft.

At Detour, the ramp portal is built. We have begun building the ramp to access the underground. And we continue to optimize the mill.

At Upper Beaver—I was there just on Monday—we are on budget, and we are ahead of schedule. The team is doing an exceptional job.

At Hope Bay, we continue to get great drill results, and we are accelerating on-site activity. We've upgraded the port. We're upgrading the camp. We've emptied the mill building. We're progressing the Madrid ramp. And we have completed the box cut for a ramp at Patch 7.

At San Nicolás, we continue to progress engineering on this high-grade, high-quality copper project in the best mining jurisdiction in Mexico.

These projects, cumulatively, represent about 1.3 million to 1.5 million ounces of potential production, all from assets we already own in regions we've been operating for decades and, in most cases, leveraging off existing infrastructure in place.

At the same time, we are investing more than we ever have, by a wide margin, in our exploration program. And as Guy will illustrate at the end of this call, we continue to get truly exceptional results that will position Agnico Eagle well for decades to come.

These three key messages are consistent with our story last quarter and are consistent with our focus over the past couple of years. But on this call, I've asked the team to spend some time on a fourth key message.

I've asked the team to spend some time to talk about our continued focus on productivity. Dom and Natasha will go through a few examples to convey the message that, even with gold at \$4,000 an ounce, even with record financial results, our teams continue to be absolutely laser-focused on improving productivity at every opportunity, at every mine.

We are proud of our teams and how hard they continue to work to deliver not only great and consistent results—which, by the way, make my job a lot easier—but to also focus every day on pushing themselves to operate even better and even safer.

With that introduction, I will now turn over the presentation to our CFO, Jamie Porter, to review our third quarter financial results.

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

Thank you, Ammar, and good morning, everyone.

Our operating teams delivered another excellent quarter, with strong cost control, particularly on a per tonne basis. By delivering on our production targets and managing costs, our investors continue to benefit from margin expansion in a record gold price environment, a dramatically strengthened balance sheet, and increased direct shareholder returns.

We are in the strongest financial position in the Company's history.

This strong operational performance and cost control paired with higher gold prices to drive record financial results, including record revenue of \$3.1 billion, record adjusted earnings of \$1.1 billion, or \$2.16 per share, and record adjusted EBITDA of \$2.1 billion.

These are excellent financial results, delivering the leverage to higher gold prices you would expect. At current spot gold prices, key financial return metrics, such as return on equity, could be as high as 20 percent for the full 2025 year.

Gold production in the third quarter was approximately 867,000 ounces at total cash costs of \$994 per ounce, and all-in sustaining costs of \$1,373 per ounce. We have achieved 77 percent of our full year production guidance to the end of September.

Though we have budgeted lower gold production in the fourth quarter, we are confident in achieving the midpoint of our full year production guidance range of 3.4 million ounces.

We are benefitting from record gold prices. However, the higher gold prices do result in increased royalty expense. In the third quarter, cash costs were approximately \$60 per ounce higher than what we had budgeted, largely as a result of the increased royalty expense.

Despite this, I'm pleased to report that our cash costs remain within our guidance range on a year-to-date basis, and we still expect to be at or near the top end of our cash cost guidance range of \$965 per ounce for the full year.

Our teams have done an excellent job managing the costs that are within our control and continue to work on ongoing optimization initiatives, as Dom and Natasha will talk about later in this presentation.

All-in sustaining costs per ounce were higher than the prior quarter, primarily due to the increase in cash costs and the timing of sustaining capital spending. We also expect to be close to the top end of our all-in sustaining cost guidance range of \$1,300 per ounce on a full year basis.

Our all-in sustaining costs continue to be hundreds of dollars per ounce below those of our peers. Again, this is the result of continued efforts by our teams to control costs and continuously improve while maximizing the cost synergies and benefits resulting from our regional strategy.

If we move on to the next slide. We had another strong quarter of free cash flow generation that directly and indirectly benefitted our shareholders through direct shareholder returns through the dividend and share buyback and, indirectly, through the strengthening of our balance sheet.

We generated \$1.2 billion of free cash flow this quarter and added another \$400 million through the sale of equity investments, which allowed us to continue to strengthen our balance sheet.

Our net cash balance more than doubled in the third quarter, increasing to \$2.2 billion.

Given our strong financial position, we decided to redeem an additional \$350 million of long-term debt in addition to the \$50 million of debt that matured during the quarter. Over the past 18 months, we have significantly delevered the balance sheet, reducing our gross debt in that period by over \$1.6 billion.

Reflecting this strength in credit profile and financial position, I'm also pleased to report that during the quarter, Moody's upgraded us from Baa1 to A3 with a stable outlook.

We are, again, in the strongest financial position in the Company's history, giving us the flexibility to take a balanced, disciplined approach to capital allocation.

If we move to the next slide. We continued to deliver record shareholder returns this quarter, totalling approximately \$350 million in dividends and share buybacks and totalling \$900 million on a year-

to-date basis. This brings the cumulative shareholder returns in Agnico's history to over \$5 billion, the majority of which has been returned in the last several years.

Our capital allocation strategy remains unchanged, and we are well positioned in this gold price environment. We expect to continue to increase shareholder returns through increased share buyback activity and, potentially, through higher dividends.

We also expect to continue strengthening our financial position and flexibility by increasing our net cash position.

Given our profitability, we are expecting a significantly higher cash tax payment relating to the 2025 fiscal year in the first quarter of 2026. This is estimated at approximately \$1.2 billion. We are allocating cash to fund that obligation.

Lastly and importantly, we will continue to reinvest in our business in order to bring our high-return organic growth projects online.

We have our five key value driver projects, Detour Underground, filling the mill at Canadian Malartic, Upper Beaver, Hope Bay, and San Nicolás, all of which generate solid returns at gold prices significantly below the current spot price.

At current spot prices, these projects have the potential to generate phenomenal returns. Detour, for example, once ramped up to 1 million ounces of annual production, has the potential to generate over \$2 billion of annual after-tax free cash flow at that mine alone at these gold prices.

We will continue looking for opportunities to accelerate reinvestment in the business to drive long-term shareholder value.

At current gold prices, we're generating a lot of cash, but we will remain disciplined and continue to take a measured approach to capital allocation with a focus on increasing returns to our shareholders over the long term.

With that, I'll turn the call over to Dom, who will provide an overview of our Quebec, Nunavut, and Finland operations.

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

Thank you, Jamie, and good morning, everyone.

Our Q3 results for Quebec, Nunavut, and Finland continue to show strong and consistent operational performance, just as we saw in Q1 and Q2.

We are on track to meet year-end guidance, and we're positioning ourselves on a good foundation for 2026. The production costs remain well controlled and, as shown in the bottom-right table here, we are seeing record profit margin, thanks to the gold price.

I'm very happy of our team's leadership and mindset. Even with the higher gold price, the focus remains on de-bottlenecking the operation and improved productivity as, for example, this quarter, we have three mills that beat quarterly records at Meadowbank, Meliadine, and Goldex.

For the next two slides, Ammar asked Natasha and myself to explain more and give examples about what we're doing at the sites and regional levels to control our costs to manage our business.

You will hear not about cutting, cutting, and cutting. What you're going to hear is going to be more about productivity improvement, integrating technology, leveraging skill sets, and leveraging our people.

The first example's going to be at Kittila, led by the team that you could see here on that picture, celebrating the 3 million ounces pour. And the second one is going to be about new technology implementation in underground.

Next slide, please. So at Kittila, following the new shaft commissioning and ramp-up, the teams were struggling to meet their operational targets at underground.

And from there, I need to recognize the leadership of Yanni, Mikko, and Kyösti for taking action, leveraging learnings from similar initiatives done at Meliadine in 2023 to drive meaningful change.

So in June 2024, they launched an underground productivity improvement program. And as at Meliadine, their approach was built on ownership, focused on what matters, and on problem solving. They work in collaboration with the employees. They did benchmarks to define what the perfect shift could look like and to be more productive.

At the end, what they did, they worked with the guys driving the equipment, as you could see there, a scoop, to find how they could help them to be more productive. And some examples, like just being at the equipment faster than it was before, it's an easy one, but it's a thing that they kind of implemented to be more efficient.

I will just show you some results of that if I take the two graphs on the—or bars on the left.

The bottom one, you could see the tonnes mined per day improved by 13 percent year over year for the first 9 months of 2024 compared to the first nine months of 2025, 13 percent more tonnes moved or mined from underground. This is with the same equipment, same fleet, same people, more efficient.

That allows them also to do more by themselves and less relying on contractors, which helps to reduce the cost.

And on the cost side, if you take the top one on the left, you could see that euro per tonne mine site cost decreased by 4 percent. And this is despite inflation and higher royalties.

So very good job to the Kittila team. Thanks for that.

Next slide. The second example is about implementing new technology of remote operation.

The gains we are doing with those remote operations are not just helping us to control our costs and manage the business. It is more than just the current operation performance. It is also unlocking future growth projects, enabling future growth projects.

All of our projects, if we could improve what we use into our studies in terms of tonnes moved, tonnes mined, as well as we're going to see at Odyssey if we could improve the ramp development speed, this is significant improvement.

So I will start with the example of LZ5 in 2016, where they've implemented the first LTE system in the world underground.

Since that time, they really, really did very good progress. You could see with the yellow here through the time, we are now, approximately over 20 percent of the tonnes are done through remote operation. And how this is the gain—where is the gain is there were some areas sometimes that were not operating the equipment because we needed to be out of the mine for ventilation purpose, for example.

So the same skill set and the same thinking have been applied to Odyssey ramp. And you could see the jump done in the year in the 2023, when we started to do remote mucking and remote drilling at Odyssey. So we've increased the productivity by 20 percent. Again, same people, same team, just using the technology. This is significant improvement.

How it works, so you could see the people here sitting on the front of a screen in a seat, which is the same than the one in a scoop. So they are able to operate three to four equipment each. And we're

collaborating very closely with Sandvik at LZ5, with Epiroc at Odyssey, to push those technologies to do more and more.

So this is helping us to control our costs. This is also enabling future projects. It is also an aspect on the workforce. Natasha's going to talk about opportunities and actions on the workforce, but those type of things are, in the balance, to help the workforce.

So we are, in Quebec, approximately 5 percent of turnover, which is fantastic. And those types of initiatives are helping us to have better conditions for the workers. We're giving them great challenges to our professionals. This is helping for the retention, this is helping for the recruitment, and this is helping for the stability of our operation.

Next step, stay tuned, we're moving into the fleet management system.

So the blue that you see on the graph there, this is still conventional hauling. Now, to be better in that area, we're implementing fleet management system underground. We're going to be in the first of the world to implement such a software advance like we're thinking about. In the coming years, you're going to hear about that.

Next slide, moving to the project pipeline. As Ammar mentioned, both projects are on track and evolving very positively. As Guy will talk later, the drilling results keep adding value to the project. Very, very interesting.

Canadian Malartic. In term of shaft sinking, where we start more conditional shaft sinking in Q3, we did the record in terms of speed, and we are about two months in advance of what we were planning initially when we updated the study in 2023.

I would like also to highlight the construction team in Q3 did triple zero for 70,000 hours. What is triple zero is no lost time, no modified work, no medical aid. And 70,000 hours, this is equivalent of one

guy working in a construction for 30 years. Congratulations to the team. It's fantastic doing those type of achievements.

So to close on Canadian Malartic, the study's progressing for the vision to 1 million ounces. With the second shaft, Marban, Wasamac, everything is on track, and the construction team keeps delivering what's needed. For example, the administration building is going to be delivered in Q1. It's going to be a good thing for the team to be in better position.

At Hope Bay, potential 400,000 ounces annual production. From the good drilling I see, I think it's going to be slightly more than that. Let's see where the study's going to end. But in the meantime, the key thing is to advance engineering. So we are currently around 25 percent achieved on the engineering, and we are progressing between 3 percent and 4 percent per month, which brings us to the 40 percent, 50 percent we were looking before green-lighting the project next year. Everything is in good position for that.

And also, the construction team are preparing the field to be able to do that heavy construction time. So you could see here on the picture, there's two new wings. Both of them are approximately 133 people per wing, so we're building capacity. We're going to have six of them ready to go for construction, operation, and keeping exploration.

On that, I will pass the microphone to Natasha.

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

Thanks, Dom, and good morning, everyone. So I'll cover the operational highlights for Ontario, Mexico, and Australia.

The regions delivered good safety, operating, and cost performance this quarter and, along with the higher gold price, this led to record operating margins at both Macassa and at Detour.

Now at Detour, as we continue to stabilize the mill at the higher throughput, the team achieved another quarterly record mill throughput. The open pit mining rate in the quarter, however, was affected by slower progress around the historical underground workings, but grade is still expected to improve in the fourth quarter as we move into the higher grade domain in the pit.

Over at Macassa, we had a really—a good quarter there, too. The team continued to see some overperformance with higher-than-expected grades in localized areas.

And then at Fosterville, production this quarter was on target, following a very strong first half of the year.

Now in terms of business improvement, similar to what Dom discussed, the teams, they continue to push hard to optimize our business. There is a constant effort to keep all of our operations at a state of optimal performance. It's just part of their DNA.

And the optimization of the ore haulage system at Detour is a really good example of that. It's a good example of the many initiatives that are going on. It's a good example of how the team is looking at ways to sustainably lower costs and improve efficiencies. And this particular journey started 10 years ago, with incremental, slow enhancements made over time and significant progress made, as you can see from the utilization and payload improvements, as noted on the graph.

And the team, they continue to look for ways of optimizing our unit costs by involving external experts to review their performance and help identify possible efficiency gains, similar to what Dom was talking about at Kittila, not just as it relates to haul optimization but, really, the entire mining cycle.

Another hot topic, and Dom touched on this, is related to the skills labour shortage that the entire industry faces. Labour is a large portion of our overall cost, and our focus is to not just maintain our operational needs, but also secure the workforce to grow our business and, at the same time, manage the costs. So we're taking a very proactive approach to workforce planning as we grow in Ontario by leveraging our regional strategy, by leveraging our competitive advantage, specifically when it comes to people.

So our strategy to address the short and long-term workforce needs is multilayered. Of course, the first one is to ensure we continue to be a great place to work for our employees. By continuously investing in our people, by continuously leveraging the culture that Agnico has built, we have increased the engagement levels of our teams.

And Macassa is a really great example of how powerful this combination can be. Since 2022, we have significantly increased production at Macassa and, at the same time, we've significantly improved safety performance. They say that a safe mine is a productive mine. In our experience, it's also a highly engaged mine.

In addition to that, we're investing in local workforce training. This quarter, we started the underground school of mines for Macassa. Our plan is to, over a period of time, train local candidates to meet the increased demand for Macassa, for Upper Beaver, for Detour Underground.

And while we remain focused on hiring First Nations and local employees, we're also seeing success in filling roles through our immigration program for skills that are generally hard to recruit for in Canada.

So I'm very proud of the teams because even at these gold prices, and like Ammar was saying, their foot is still on the gas. They continue to safely and responsibly make our mines more efficient and more productive and, ultimately, reduce our costs.

Now moving to the next slide, I'll give you a quick update on the three projects for Ontario and Mexico.

As you're aware, the Detour Underground project plays a big part in the plans for the complex to be a 1-million-ounce producer annually. It's still early days but, as Ammar mentioned, this quarter we commenced the exploration ramp and have advanced just over 250 metres laterally. We're also continuing with the infill and expansion drilling and continuing to see positive results, and Guy will talk about that later on in the presentation.

As for Upper Beaver, during the quarter, there's been a lot of progress made in a short period of time. We did have the pleasure of hosting our board and our senior management team this week at Upper Beaver, but also Macassa, and they were complimentary not just about the progress, but also the strong teams that we have on the ground, and I completely agree.

In terms of the project, with respect to the shaft head frame, the structural steel and the cladding is completed. The winches have been roped up, and the service hoist is ready for commissioning. So shaft sinking is still expected to commence in the fourth quarter. And over at the portal, the excavation of the exploration ramp began at the end of July and has advanced over 250 metres.

Finally, with respect to San Nicolás, we continue to engage with government and authorities and our stakeholders related to the key permits that are needed. In the meantime, we're continuing to advance the engineering of some critical infrastructures, which will just help us further de-risk and build confidence in the execution strategy.

So all in all, good progress being made on the projects, and I just wanted to end by thanking the operations team and the projects team for another solid quarter.

And so, with that, I'll pass it over to Guy.

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

Thank you, Natasha, and good morning, everyone. First of all, I would like to start by taking a moment to thank the team at all sites for another excellent quarter. Both safety and productivity, and cost control went extremely well.

With in excess of 120 drill rigs in action, we've completed north of 370,000 metres of drilling in the quarter, now exceeding 1 million metres year to date. That is ahead of our schedule by about 9 percent, year to date, in terms of metres. And our unit costs are approximately 8 percent below budget, year to date, as a result of our strong involvement at controlling costs.

Our Drilling Excellence Program continues to deliver. We're improving safety by introducing more mechanized features, such as robotic arm technology to reduce weight lifting and repetitive motion, and we are ramping up our unattended drilling capacity that allows for drilling between shifts, which is very beneficial for our underground mining sites.

Heading towards year-end, we continue to focus on key value drivers, expanding a little bit the drill program on several sites, such as Marban, Detour Underground, Hope Bay, and Canadian Malartic-Odyssey, where we have good exploration results that continue to blaze the trail to support studies—that will support studies to deliver on our vision of growth for these assets.

From a results standpoint, I would like to comment on a few projects, starting on Slide 15 with Canadian Malartic. We currently have 29 drill rigs in action at Malartic, both underground and on surface at Odyssey, in the extension of the deposit around the mine, including the recently acquired Marban project. And once again, this quarter has seen some very exciting results.

In the upper eastern portion of East Gouldie, results reached that 4.8 over 25 metres at 800-metres depth, in the area we anticipate can get to mill and our reserve by year-end. That could provide additional flexibility to accelerate ramp-up of production in the upper portion of the East Gouldie deposit.

Then also, in the lower extension of the East Gouldie with result of 2.3 over 30 metres, at 2,000 metres below surface, which is also kind of aligned with our decision to extend the depth of the first shaft down to 1,870 metres. And the deposit remains open at depth and laterally.

And on the adjacent Marban project, we've so far completed 96 drill holes on the property for in excess of 30,000 metres since the acquisition, since the drilling started in May, following the acquisition, mostly to test the eastern extension of the deposit on ground that belonged to Agnico prior to the consolidation. And the results have the potential to increase the ultimate pit design with result of 3.3 over 11 metres, 4.6 over 10 metres, approximately 200 metres east of the current open pit being considered.

Now on Slide 16, at Detour. As mentioned by Natasha, the exploration ramp is now progressing well, with just over 250, almost 260 metres developed in the quarter, reaching a depth of 43 metres below surface.

Sixty-two kilometres of drilling were safely completed in the quarter with nine drill rigs that continue to infill and expand the deposit from surface in areas that are targeted for the underground mine project, both below the saddle portion of the deposit, with result up to 3 grams over 40 metres, 2.7 over 55 metres and, to the west of the pit, where the planned exploration ramp, with result pretty significant, up to 7.4 over 27 metres.

The result so far should lead to growth in the underground mineral resources system at year-end. And based on these good results, we've added an additional 55,000 metres of drilling in the fourth quarter, expecting to achieve almost 220,000 metres by the end of the year.

Now, on Slide 17. As discussed by Dominique, again, some very good results on exploration. We have six drill rigs in operation. We've completed in excess of 100,000 metres, year to date, expecting to achieve north of 120,000 metres by year-end, and we continue to see very strong results in the Patch 7 area.

First of all, in the southern extension of Patch, with results up to 6.7 over 10 metres, 10.7 over 3.8 at shallow depth, 350 metres below surface, showing that the deposit remains open to the south on the right-hand side of that graph.

And two, at depth in Patch 7, with very strong results, up to 12.7 grams over 9.3 metres and 16.9 grams over 4.6 metres, both at around 880 metres depth in the strong new discovery at Patch 7, that shows that the deposit remains open at depth and laterally.

So we anticipate that all of the good results we've seen at the Hope Bay this year will really have a very positive impact on the mineral resources at year-end. And as mentioned by Dominique, that will—all of that be integrated in our potential project development scenario to be communicated in 2026.

Then on Slide 16, I would like to add a little bit more colour on Meadowbank. And as you're aware, we're looking, in a current gold price environment, to look at opportunity to continue to operate Meadowbank.

So we've been, since 2024, at this, evaluating some options for weight pit pushback in the IVR area, but also continue to de-risk the underground extension of the deposit that is known to be still open at depth. And all of those good results that we are displaying will be integrated in our scenario analysis to evaluate the pushback scenario and, eventually, to continue to mine from underground only, with mill operation at a lower throughput once the open pits are fully depleted.

Finally, at Slide 19 at Fosterville. Not mentioned in our press release because it came out right after the cutoff of our press release yesterday, we're pleased to announce that we've reached an agreement with S2 Resources to acquire their 39,000-hectares exploration licence that surrounds our mining gates at Fosterville.

This will consolidate, in total, more than 260,000 hectares stretching over more than 100 kilometres along the break at Fosterville to allow the continuation of the full investigation of those structures without any property boundary constraint. And the transaction, obviously, is subject to the Victorian government approval, so. And the closing is expected to close within about two months.

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

Ammar Al-Joundi

Thank you, Guy. As you can see, we continue to work hard for all our stakeholders, and we'll continue to build off the same foundational strategic pillars that have served us well over the past 68 years. We will focus on the best mining jurisdictions, based on geologic potential and political stability.

We will be disciplined with our owners' money, making investment decisions based on technical and regional knowledge, creating value through the drill bit and through smart, disciplined acquisitions 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 strong competitive advantage.

And we will continue to be focused on creating value on a per share basis and on being leaders in our industry and returning capital to shareholders, as evidenced by over 42 years of consecutive dividend payments and increasing share buybacks.

And finally, before we open up for questions, I'd like to comment briefly on the current exciting gold environment, both the gold price and the sector more broadly, including our recent investment in Perpetua.

On the gold price, of course, nobody has a crystal ball, and nobody can predict near-term moves. But it is very common that when a market moves up quickly, there is often a measured retracement in a period of consolidation before the next leg up. I think that is where we are on the gold price. Long term, we remain very constructive on gold, and as all the factors that have pushed gold to outperform over the last 25 years remain in place and, in many cases, have become more prevalent.

On the M&A front, while we do have the best organic growth in our history, while we continue to have great success in our exploration programs, and while we feel absolutely no pressure to do anything, of course, we will continue to look at opportunities to create more value for our owners through smart and disciplined opportunities on the M&A side.

Our owners want us to look at these opportunities. Our owners expect us to look at these opportunities. It is, frankly, part of our job. Our investment in Perpetua is a good example of this. Perpetua is one of the largest, highest grade, undeveloped open-pit gold mines in the United States. And to paraphrase one of our senior exploration people, it is the most exciting US-based gold exploration project she has seen in many, many years.

Perpetua is also an investment in gold. Yes, there are valuable by-products that will reduce cash costs, but that's a good thing. This is what we do. We focus on geologic potential in safe jurisdictions, and we try to get in early to gain a knowledge advantage.

Thank you again for joining us on this call. Operator, may I ask now that we open up the call for questions?

Q&A

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session.

Should you have a question, remember, please press *, followed by the number 1 on your touch-tone phone. You will hear a prompt that your hand has been raised. Should you wish to decline from the polling process, please press the * key, followed by the number 2.

If you are using a speakerphone, please lift the handset before pressing any keys.

One moment, please, for your first question.

Your first question comes from Fahad Tariq of Jefferies. Please go ahead.

Fahad Tariq — Jefferies

Hi. Thanks for taking my question. Ammar, can you talk a little bit about the noncore investments in critical minerals? It sounds like it's a new subsidiary. I'm just trying to understand what type of investments will be vended in or spun out in there. It sounds like it would be things like Canada Nickel and maybe some other equity investments. And what is the future strategy of that subsidiary? Would it invest in, like make equity investments? Or actual project development?

Ammar Al-Joundi

Hi, Fahad. Thank you for that question. You're absolutely right. For example, Canada Nickel will be in that subsidiary.

I think, as most of you know, there's been a lot of interest globally on critical metals. We are a gold company, but we're also, in my opinion, the best miners in the regions we operate, and we're the largest, by far, mining company in Canada.

We get asked about critical metals all the time. We want to remain a gold company. And so what we've—the approach we've taken, which is consistent with being disciplined, and consistent with our philosophy on capital allocation, which is that it should be based on knowledge—for the last three years, we've had a small team, as again, most of you know, looking at opportunities on the critical metals side.

With everything that we've got going on, with the great pipeline we've got, with our continued focus on gold, we felt now was the time to let that small group of people have a little bit more independence and look at opportunities on their own. So we've contributed small investments, that are non-gold, non-copper, into that subsidiary. We've given a little bit of seed capital. And frankly, Fahad, it's their job to look at opportunities. We are not obliged to invest more money. We'll be supportive, but we'll also have a first shot at looking at what they're doing.

Fahad Tariq

Got it. And then maybe just switching gears, can you talk a little bit about how just government relations are going with the new federal government in Canada? Have you noticed changes in terms of the level of access to the government dialogue? And any opportunities in particular for Nunavut infrastructure? Thanks.

Ammar Al-Joundi

That's, again, an excellent question. We have been very pleased with the new government. I'll give you an example. While we are the biggest mining company in Canada, we really didn't get a lot of attention from the previous government. The weekend after the election, I got a text from Tim Hodgson. I'd never met Tim Hodgson. He went out of his way to find out who I was and, I guess, who other—and I know he's talked to a lot of other mining executives.

And so you've got to give a government credit when the minister, in the very first weekend, reaches out to people on their cell phone via text. We know the teams there well. We've probably had more discussion with the new government on the importance of mining and the opportunity of mining to contribute to Canada than we'd had with the previous government over several years.

So we're very pleased. They are very smart. They're very engaged. And they really are interested in leveraging off of what mining, for example, can do for the average Canadian.

Fahad Tariq

Thank you very much.

Ammar Al-Joundi

Thank you.

Operator

Your next question comes from Anita Soni of CIBC World Markets. Please go ahead.

Anita Soni — CIBC World Markets

Hi. Good morning, Ammar and team. Thanks for taking my question. First question is with respect to Hope Bay. What are you expecting to deliver by year-end in terms of a resource update? And then what are you targeting for the 2027 study?

Dominique Girard

I could start, maybe, with the study, and I will let Guy for the resource. On the study, we're expecting in the first half of next year to deliver a PEA study with the engineering at over 40 percent. And again, as we did at Meliadine, we really have a good view on the schedule and on the cost. We like to give the information when we have enough of that engineering done. I'm very happy to see the progress with

the team. And before midyear next year, we're going to give you more detail on all those KPIs, Anita. And that, I would pass it to Guy.

Guy Gosselin

Yep. So as a follow-up. So for year-end, I would say reserve will remain as last year. We're going to be updating indicated and inferred resources, obviously integrating all of our new results we've been getting, expanding Patch 7, and along with what Dominique described, our study in 2026, with the new development scenario, new costs. So our desire would be to update Hope Bay with a brand-new PFS-supported reserve and resources filing by the end of 2026.

Anita Soni

Okay. Thank you. And then just a question with respect to costs. I know you talked about tariffs a little bit, and it seemed like it was the standard customary cautionary language. But is there any—is there any other—I guess, I'm just trying to get an idea of what kind of inflation expectations you're seeing going into next year? Is it the typical 3 percent to 5 percent? Or...

And you obviously talk about optimizations where you're trying to defray some of those 3 percent to 5 percent. And you've done an excellent job this year of maintaining costs within the original range, despite a more-than-\$1,000 gold price move. But what can we—what should we be thinking about going into 2026 and other moving parts, like changes in grade and things like that?

Jamie Porter

Yeah. Anita, it's Jamie here. We're obviously working through the budgeting process now. I think 3 percent to 5 percent is where we've seen labour inflation over the past several years. But across all of our costs, it's been closer to 6 percent to 7 percent.

Anita Soni

Okay.

Jamie Porter

If you go back over the last three years, the average cost inflation we've seen has been 6 percent to 7 percent. Our guidance has been up, on average, by about 3 percent. So we've been able to do a bit better than the rate of inflation over the last few years.

Going into 2026, I think we're seeing a similar level of inflation, in around 6 percent to 7 percent, across all of our various cost components. And obviously, we're seeing the pressure on royalty costs as a result of the higher gold price. So we would expect costs will be higher next year, just based on the impact of higher gold prices. But as we've talked about through the call today, we're always looking at opportunities to do better than inflation.

Anita Soni

Okay. Thanks. And that's it for my questions.

Operator

Your next question comes from John Tumazos of John Tumazos Very Independent Research. Please go ahead.

John Tumazos — John Tumazos Very Independent Research

Thank you very much. Could you review the rigs operating across the Company? I think I heard there were 29 rigs at Malartic, and the metres were being increased 55,000, to 220,000 for the year. But could you give us that review across the portfolio, please?

Ammar Al-Joundi

John, I'm going to—thank you for the question, John. I'm going to ask Guy to comment on that.

Guy Gosselin

Yeah. So basically, the 120 rigs, as reported, are spread over the operating mines, advanced projects. I can go through, maybe, with you offline if you want to see. But basically, yeah, we have those 29 rigs, the 220,000 metres, an additional 55,000 metres you're referring to, pertaining to Detour, where we have those nine rigs operating.

So we haven't seen it—and I would say, quarter over quarter, we have the exact same number of rigs. We just seen an increase in productivity, and we're trying wherever we've been getting some good results, especially in the pipeline, to keep drilling at the same pace during the fourth quarter.

Therefore, we're expecting that we will be in a position to go all the way to around 1.25 million, 1.3 million metres by year-end without spending much more because of the lower unit costs we've been getting with those productivity improvements, such as the unattended drilling.

Basically, what it means on the day-to-day is when the driller with the new rigs that we are currently revamping on each of the sites, with collaboration with our drill entrepreneurs, we're basically adding the function that when the guy leaves the rig at the end of the shift for the blasting and gas clear-up, you can just press the button; the drill continues to drill in between shifts.

So if you look at it, if you can drill three more metres at the end of the D shift, three more metres at the end—so for an underground mine, it is quite significant. So those are the things that, with the same fleet of rigs, we can get more done. And we're going to continue to drill at the same pace because we have some good results.

And overall, we are expecting our global exploration budget for the Company of \$525 million, including an exploration project, to be about right on that \$525 million for the year, based on our, I think, last three forecasts we've just done.

John Tumazos

Could you just run through the several sites where the most rigs are running? I don't remember how many rigs were at each site, Guy.

Guy Gosselin

Yeah. Well, maybe I can provide you with those details offline. But we have those 29 in Malartic, we have 9 at Detour, we have 12 in Macassa, we have 6 at Hope Bay. So maybe I can provide you with the detailed list of the spread of our rigs offline, John.

John Tumazos

Thank you. Merci beaucoup.

Operator

And your next question comes from Tanya Jakusconek from Scotiabank. Please go ahead.

Tanya Jakusconek — Scotiabank

Great. Good morning. Thank you so much for taking my questions. Good morning, everybody. Guy, just wanted to come and talk to you about the reserve and resource replacement this year, year-end 2025. I think, if I go through what you mentioned, we're going to see increase in reserves at East Gouldie—that was really the only mine, the only deposit I've heard—and then resource growth at Detour and Hope Bay. Is that correct? Thanks.

Ammar Al-Joundi

Guy, can you just comment? Thanks.

Guy Gosselin

Yep. Yep. I can take it. So we will also—we are in good position to fully replace what we mine at Kittila, at Macassa, and several of our sites we'll see some partial replacement. We will also have Marban that we'll get into the mix, adding a first iteration of Marban.

So net bottom line, we're expecting to see a net growth, net of mining depletion by year-end, by maybe, I don't know, my guess, we should be up by 250,000 or 500,000 ounces, year over year, despite the fact that we've mined—we've extracted 3.8 million and we'll produce 3.45 million this year. So all in all, the drilling has fully replaced what we've mined out with a slight—with a light growth year over year.

Tanya Jakusconeck

Okay. And should I be thinking, as you have done historically, that you take your reserve and resource pricing, and you look at inflation and adjust accordingly? So I know your reserves are at about \$1,450; your resource is at \$1,750. If I put that 5 percent, 6 percent or there about inflation, I'd get \$1,550 and \$1,850 respectively. Should I be thinking that that's how you're going to approach your pricing for your reserves and resources at year-end?

Guy Gosselin

Well, that's a very good question. Obviously, with the current gold price environment, we are asked that question, and we're working on it. But our desire remains to deliver the margin ounces upfront. Therefore, we don't want to lower the cutoff grade that will change our mining sequence in the upcoming couple of years.

So we are looking at it on a mine-by-mine basis. If there's some excess milling capacity, if we can mine some, so we're going to be having that in mind, flexing, maybe, our gold price assumption on some projects where it's a life-of-mine extension scenario, or where there is additional milling capacity.

But our firm intention remains to keep the cutoff grade stable by, as you described, offsetting inflation, moving the gold price up in line with that inflation we see overall on the market.

Tanya Jakusconeck

So then it's really what you talk about is real actual replacement of ounces rather than any movement in gold price for what you're seeing for year-end?

Guy Gosselin

Yep.

Tanya Jakusconeck

Yeah. Okay. Perfect. Thank you for that.

Maybe over to you, Ammar, if I could, about just the strategy on the overall portfolio, both from an investment equity standpoint, and then also on your portfolio, your assets, overall assets. There's some really—there are some smaller ones that you have in there as well. So I'm just interested in how you're approaching this.

Let's start with the equity portfolio. Should I be thinking—you're investing, and Perpetua was one investment—but should I be thinking that whatever sales or the sales you make from that investment portfolio it just gets reinvested into other equities, rather than being thought about, this gain, as allocated to shareholder returns? Should I be thinking about it in that way?

Ammar Al-Joundi

Thank you, Tanya, for the question. No, the money belongs to our owners. We make strategic investments in things that we have looked at and think might have an opportunity to create value for our owners. We don't do it as a trading position. We do it really, again, in line with our philosophy on being disciplined with capital, it's an opportunity to make an early investment to learn about a project that we might be interested in.

And so if you take a look at something like Orla—and there's a long history there—eventually, Orla did a fantastic job. They didn't really need us anymore. There was a lot of money tied up. We took

a—we liquidated that position, but that does not go into a pool that goes back into equity. That is our owners' money.

And that money, everything competes for that money. Investments into our mines, technology, everything has to have a business case. So we do not simply take that gain and allocate it to future equity investments. It's our owners' money, and it gets treated like the rest of our owners' money.

Tanya Jakusconek

Okay. So it just goes part of your cash flows and gets allocated accordingly?

Ammar Al-Joundi

Correct.

Tanya Jakusconek

Okay. Thank you for that. And then in the portfolio itself, as you—higher gold prices, everyone's looking at their portfolio, and some—you have a lot of big assets that you're focusing on coming up, these five assets that you talk about. Anything that you see as anything within the portfolio for noncore?

Ammar Al-Joundi

Yeah. I mean, there, I just looked at it this morning. Jean and I talk about this all the time. You're right, Tanya. There are some things that transition well, and we continue to be interested in. And as you would expect, and as in the history of our company, there are some projects that, while we invest in early, we end up concluding don't make the criteria for our owners, and we will be disposing of them. And frankly, again, you're right. At these current gold prices, it's not a bad time to, in some cases, sell those assets.

Tanya Jakusconek

Yeah. So when we're talking about assets, we're talking about assets, not investments?

Ammar Al-Joundi

Correct. Well, no, no. In this case, I'm talking about the equity investments.

Tanya Jakusconek

Equity investments. How about just overall within the portfolio, just some smaller within the portfolio, anything in Mexico—you've got some smaller stuff, the stuff—

Ammar Al-Joundi

Yeah. I mean, you asked about Mexico.

Tanya Jakusconek

Mm-hmm.

Ammar Al-Joundi

There are some things that are now pretty small and nonstrategic. We always look at opportunities to get the most value from any asset, whether that means we operate it or we sell it. I can assure you we do that with all of our assets, including ones that are small.

And so, if there are some that you might wonder, well, why haven't you sold them, the simple answer is you can assume that we've looked at all the different opportunities and have concluded on the ones that still make the most money for our shareholders, even if it's a small asset.

Tanya Jakusconek

Okay. Thank you. Thank you for taking my questions. I'll let someone else ask.

Operator

There are no further questions at this time. I will now turn the call back over to Mr. Ammar Al-Joundi. Please continue.

Ammar Al-Joundi

Well, thank you, everyone, once again for joining us this morning.

More importantly, thank you for being our friends and supporters over many decades in many cases.

Everybody, one day early, have a nice weekend.

Thank you.

Operator

Ladies and gentlemen, that concludes today's conference call. Thank you for your participation.

You may now disconnect.