Agnico-Eagle Mines Limited
2009 CSR Report



aem today, tomorrow, together.

About This Report

This is the inaugural Corporate Social Responsibility (CSR) Report produced by Agnico-Eagle Mines Limited (AEM). The report details the Company's economic, health, safety, environment and social performance from January 1 to December 31, 2009. It is intended to give shareholders, employees, contractors, suppliers, business partners, government bodies and people in the communities in which we operate a better understanding of how we manage our operational safety, environmental and social risks, and how our systems and performance are evolving.

We invite your comments and questions about this report. To learn more, please visit our website at www.agnico-eagle.com or send an email to lconnell@agnico-eagle.com.

Forward-Looking Statements

The information in this document has been prepared as at June 21, 2010. Certain statements contained in this document constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" under the provisions of Canadian provincial securities laws and are referred to herein as "forward-looking statements". When used in this document, words such as "anticipate", "expect", "estimate," "forecast," "planned", "will", "likely" and similar expressions are intended to identify forward-looking statements.

Such statements include without limitation: the Company's forward-looking production guidance, including estimated ore grades, metal production, life of mine horizons, commencement of production estimates, the estimated timing of scoping studies, recovery rates, mill throughput, and projected exploration and capital expenditures, including costs and other estimates upon which such projections are based; the Company's goal to increase its mineral reserves and resources; and other statements and information regarding anticipated trends with respect to the Company's operations, exploration and the funding thereof. Such statements reflect the Company's views as at the date of this document and are subject to certain risks, uncertainties and assumptions. Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Agnico-Eagle as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions of Agnico-Eagle contained in this document, which may prove to be incorrect, include, but are not limited to, the assumptions set forth herein and in management's discussion and analysis and the Company's Annual Report on Form 20-F for the year ended December 31, 2009 ("Form 20-F") as well as: that there are no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural occurrences, political changes, title issues or otherwise; that permitting, production and expansion at each of Agnico-Eagle's mines and growth projects proceeds on a basis consistent with current expectations, and that Agnico-Eagle does not change its plans relating to such projects; that the exchange rate between the Canadian dollar, European Union euro, Mexican peso and the United States dollar will be approximately consistent with current levels or as set out in this news release; that prices for gold, silver, zinc, copper and lead will be consistent with Agnico-Eagle's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with Agnico-Eagle's current expectations; that Agnico-Eagle's current estimates of mineral reserves, mineral resources, mineral grades and metal recovery are accurate; that there are no material delays in the timing for completion of ongoing growth projects; that the Company's current plans to optimize production are successful; and that there are no material variations in the current tax and regulatory environment. Many factors, known and unknown, could cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such risks include, but are not limited to: the volatility of prices of gold and other metals; uncertainty of mineral reserves, mineral resources, mineral grades and metal recovery estimates; uncertainty of future production, capital expenditures, and other costs; currency fluctuations; financing of additional capital requirements; cost of exploration and development programs; mining risks; risks associated with foreign operations; governmental and environmental regulation; the volatility of the Company's stock price; and risks associated with the Company's byproduct metal derivative strategies. For a more detailed discussion of such risks and other factors, see the Form 20-F, as well as the Company's other filings with the Canadian Securities Administrators and the U.S. Securities and Exchange Commission (the "SEC"). The Company does not intend, and does not assume any obligation, to update these forward-looking statements and information, except as required by law. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Certain of the foregoing statements, primarily related to projects, are based on preliminary views of the Company with respect to, among other things, grade, tonnage, processing, recoveries, mining methods, capital costs, total cash costs, minesite costs, and location of surface infrastructure. Actual results and final decisions may be materially different from those currently anticipated.



aem **today** was built on our 50 years of experience as a mine operator.







we have created economic prosperity in a safe, socially and environmentally responsible manner

by working **together** with our employees, host communities, and business and government partners







to meet the needs of today and build for **tomorrow**.



AEM Today

AEM is a Canadian-based gold producer with mines in Canada, Finland and Mexico. The Company has exploration and development activities in Canada, Finland, Mexico and the United States. AEM has grown rapidly over the past few years and now provides work for about 5,000 employees and 2,600 contractors. All of our mines and growth projects are 100%-owned, located in regions of low political risk, and have favourable long-term potential.



1. **LaRonde**
   Quebec, Canada
2. **Goldex**
   Quebec, Canada
3. **Lapa**
   Quebec, Canada
4. **Kittila**
   Kittila, Lapland, Finland
5. **Pinos Altos**
   Chihuahua, Mexico
6. **Meadowbank**
   Nunavut, Canada

LaRonde

- Underground mine in Abitibi region of Quebec
- Produces gold, silver, zinc, copper and lead
- 1,024 employees and contractors
- Produced more than 4 million ounces of gold since 1988

Goldex

- Underground mine in Val-d'Or, Quebec
- Achieved commercial production in 2008
- 337 employees and contractors
- Thought to be one of the lowest-cost underground operations in the gold industry

Lapa

- Underground mine in Riviere-Heva, Quebec
- Achieved commercial production in 2009
- 317 employees and contractors
- Gold grades twice as rich as AEM's average mine grade



Kittila

- Open pit and underground operation in northern Finland
- Achieved commercial production in 2009
- 536 employees and contractors
- One of the largest known gold deposits in Europe

Pinos Altos

- Open pit and underground in the Sierra Madre mountains
- Achieved commercial production in late 2009
- 983 employees and contractors
- Reserves of more than 3.5 million ounces of gold and 100 million ounces of silver

Meadowbank

- Open pit mine in the Nunavut territory
- Achieved commercial production in early 2010
- 1,117 employees and contractors
- Will become one of AEM's largest gold producers

Message from Our Vice-Chairman and Chief Executive Officer

In 2009, Agnico-Eagle continued to consolidate and strengthen its position as a major player in the mining industry. With an expected fivefold increase in production from 2007 to 2010, we have completed our expansion with a strong commitment to sustainable development. We have also made many new friends and established new partnerships, and look forward to building on these relationships.

While the year proved to be challenging for the mining industry globally, Agnico-Eagle ended 2009 in a solid business position, supported by impressive performances and improvements in health and safety, environmental management, corporate social involvement and community relations.

Throughout 2009, we continued to focus on growing and managing our world-class gold assets in line with our long-term business strategy. This growth would not have been possible without the world-class expertise of our people. We understand that in order to maintain our social licence to operate we must provide our employees with a safe and healthy workplace, be responsible stewards of the environment and deliver tangible benefits to our host communities and countries.

This social licence has been actively maintained through our innovative initiatives in health and safety. The safety of our people has always come first, and we are continually improving our safety record. Enthusiastic buy-in from our Board of Directors, senior management and front-line employees has created a genuine culture of safety at Agnico-Eagle.

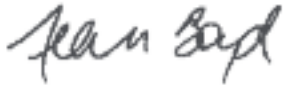
Our respect for the environment has not been compromised or diminished during this period of expansion. We continue to work in an open and transparent manner with our host communities and with the regulatory bodies tasked with monitoring our environmental performance to ensure that we do not significantly impact the surrounding environment (water, land and air). We continue to look for innovative means to minimize our impact on the environment such as our joint venture with the Quebec government to use the stable tailings from the Goldex mine to rehabilitate the abandoned Manitou mine site.

We continue to develop relationships with our local communities through dialogue and by helping them build for the future. We see ourselves as residents with a responsibility to give back to the community in many ways – including financial contributions to public initiatives, maximizing employment of people from local communities, enhancing business opportunities for local suppliers, and developing transferrable skills through training programs so that employees can find other work when our activities come to an end in their community.

Agnico-Eagle has a long history of leadership within the industry and excellence in responsible mining, both of which have been maintained throughout our period of accelerated growth. We are committed to not only continuing these traditions but also to developing and creating new traditions with our employees, communities and other partners as we embark on our bright future together.



Sincerely,



Sean Boyd, C.A.
Vice-Chairman and Chief Executive Officer

"Sharing our corporate successes in a beneficial way in the communities and regions in which we reside is not only right but good business. 'Profits with a conscience' and sharing is an intrinsic part of our corporate social responsibility. It is a lofty goal that benefits the greater good."

– Mr. Jim Nasso, Chairman of the AEM Board of Directors, 2010

Message from Our President and Chief Operating Officer

AEM aims to be a responsible neighbour, employer and business partner, to the benefit of the regions where we choose to develop our mines. This commitment to sustainability and responsible mining is reflected in our first Corporate Social Responsibility Report.

This report surveys how well we followed the path set out in our environmental and health and safety policies in 2009. It also reviews our record on corporate governance, community relations, labour relations and human rights. We subscribe to the Towards Sustainable Mining (TSM) guiding principles developed by the Mining Association of Canada and have used their indicators to rate our performance. We have also made use of the Global Reporting Initiative (GRI) indicators and guidelines for CSR reporting, all the while remaining transparent and true to our core values of competence and respect.

We strongly believe that it is possible to fulfill profitability objectives while minimizing environmental impact and ensuring people's safety. This is why our business objectives comprise all aspects of operation including labour relations, environmental performance and safety performance. We are promoting a culture of excellence that encourages our employees to continuously improve their skills and to not only meet but exceed the regulatory requirements for health, safety and environment.

While we have made significant progress, there are still many challenges as we move forward to improve and optimize the sustainability of our operations. We outline these challenges and how we plan to meet them in this report. We are committed to communicating our results to stakeholders and look forward to reporting our progress again next year.



Sincerely,



Ebe Scherkus, P.Eng
President and Chief Operating Officer

Approach to Corporate Social Responsibility

AEM is committed to creating economic prosperity for its stakeholders in a safe and socially and environmentally responsible manner. This is how we define sustainability, and we apply it in our business activities through four core values: operate safely, protect the environment, treat people and communities well, and make a profit.

It is important to us to:

- Continue to learn from our combined past experience
- Base our progress on our competence and resources
- Consistently show respect to our employees and build on the foundations laid out in the early years
- Create a safe workplace by empowering our employees to consistently work in a collaborative way in a culture where safety and respect are paramount
- Show respect for the environment by using best industry practices and innovation to continuously improve our environmental performance wherever we work in the world
- Show respect for the communities in which we operate and earn their respect by consistently acting in a socially responsible manner and giving back to these communities
- Maintain our economic success by working together with all our employees and stakeholders to create profits that allow all to benefit



2010 Priorities

Here is a snapshot of our 2010 CSR priorities. We will report on performance against these priorities in next year's report.

Health and Safety	Comments
Reduce lost-time accident (LTA) frequency at all operating mines.	In 2009, our corporate objective was 3.7; we achieved 2.65 for the combined LTA frequency for all AEM employees and contractors working at our sites. Our objective is to have no accidents however being pragmatic we established an LTA target of 3.5 for 2010 to reflect the new mining operations coming on line and the challenge of implementing effective safety programs at these sites.
Implement the Supervisory Formula Program including the daily use of work cards at all operations.	This is a continuation of an initiative underway in 2009 that is now being extended to the new AEM mining sites. It is a program designed to bring safety into every facet of daily job planning.
Implement safety indoctrination and training programs for all new employees at each mine.	Programs will be delivered in French in Quebec, Finnish at Kittila, Spanish in Mexico, and English and Inuktitut at Meadowbank.
Develop and implement health awareness programs at each mine, to be delivered by dedicated occupational health nursing staff at each mine.	This is a continuation of an initiative underway in 2009 that is now being extended to the new AEM mining sites.
Environment	
No fines or penalties for environmental failures at any of our mines.	No environmental failures at any of our mines resulting in fines or penalties.
No category 3, 4 or 5 environmental incidents at any of our operations.	A category 3 incident causes moderate, reversible environmental impact, with short-term effect, and requires moderate remediation. A category 4 incident causes serious environmental impact, with medium-term effect, and requires significant remediation. A category 5 incident causes disastrous environmental impact, with long-term effect, and requires major remediation.

Environment	Comments
Maximum of 20 regulatory non-compliance incidents (combined at all operations).	A non-compliance incident refers to any specific measurement that is above our compliance requirement; for example, a total suspended solids exceedance on a given day.
Complete construction and commissioning of ammonia-stripping treatment circuits for mine waste water at the Lapa and LaRonde mine sites.	The 2010 target is to meet design performance specifications at both treatment plants.
Complete construction and commissioning of the cyanide destruction treatment circuit at the Meadowbank mine.	The 2010 target is to meet design performance specifications at the new plant.
Continue noise-reduction initiatives at the LaRonde mine with the objective of reducing audible underground ventilation fan noise and the associated disturbances to local cottagers.	This a continuation of an initiative under way in 2009. New sound attenuation barriers were installed in 2009.
Develop a formal Environmental Management System (EMS) consistent with the ISO 14001 international standards at each mine site.	Each mine currently has its own environmental management program. Our two-year objective is to develop a formal EMS program at each mine that meets the specific needs of the mine, is consistent with ISO 14001 standards, and incorporates continuous improvement.
Environmental audits – Complete internal environmental audits at two of our operating mines.	This continues an initiative started in 2009.
Energy use – Establish energy management committees at each mine.	These committees bring together employees and management to raise awareness and conduct energy audits, measurements and studies to identify opportunities for greenhouse gas (GHG) emission reductions. This continues an initiative started in 2009.
Waste management – Implement five-year waste management plans at each AEM operation to manage waste rock, tailings and other industrial wastes.	This is a continuation of an existing initiative.

Environment	Comments
Closure plans – Update current mine closure and reclamation plans at each AEM mine. The plans will include calculations of closure liability associated with each site.	This is a continuation of an initiative already under way in 2009. AEM has developed closure plans for all its mining operations.
Towards Sustainable Mining – Develop and implement systems at all mines to enable AEM to achieve a Level 3 self-assessment on all four of the Mining Association of Canada's TSM performance indicators.	See page 43 for AEM's current self-assessment on TSM indicators.
Social Responsibility and Community Engagement	
Each mine has a community engagement plan, which is unique to the setting and updated annually. Our 2010 objective is to continue to implement these community engagement plans at each mine.	Community engagement activities include community newsletters; meeting with representatives of local government, citizens groups and neighbours; visiting local schools to inform students of future job opportunities and motivate them to further their education to pursue these opportunities; participating in local job fairs; and holding periodic town hall meetings to keep the communities informed of our activities and provide a forum for addressing community concerns.
Continue operation of the Community Liaison Committee at the Meadowbank mine.	This is a continuation of an initiative started in 2009.
Continue AEM's involvement in community projects in the communities where our mines are located.	These include support for the development of sports-related facilities for youth in these communities, and support for educational and health initiatives.
Continue skills training programs at all mining operations. A specific target in 2010 is to work with the Kivalliq Mine Training Society in Nunavut to deliver skills training to Inuit employees at the Meadowbank mine.	In cooperation with the Kivalliq Inuit Association (KIA), AEM is committed to increasing the proportion of Inuit working at the Meadowbank mine. This is part of our Inuit Impact Benefits Agreement with the KIA.

Scope of report

This report details the economic, health, safety, environment and social performance of AEM from January 1, 2009 to December 31, 2009. It covers operations in production in Quebec (LaRonde, Goldex and Lapa), Finland (Kittila) and Mexico (Pinos Altos), for the portion of the year in which they were in operation, as well as our closed sites. The performance indicators presented do not include our Meadowbank mine in Nunavut, as this mine only came into production in March 2010, nor does it cover our exploration activities.The performance indicators for both Meadowbank and our exploration activity will be included in future CSR reports. However, CSR initiatives at the Meadowbank project will still be discussed in this report. This report only addresses those operations where AEM has managing control and thus does not include any activities by companies where AEM holds a minority investment. The key issues addressed in this report are governance, safety, the environment, community and economics.

We have tried to report in as quantifiable a manner as possible to allow our future trends to be measured against our past performance and objectives, and the performance of industry peers. We have used a combination of the Towards Sustainable Mining performance indicators as published by the Mining Association of Canada, the GRI G3 guidelines and our own AEM Specific Indicators. This enables our readers to benchmark our performance with respect to laws, norms, codes, performance standards and voluntary initiatives, as well as to monitor our annual progress as an organization.

We have not reported against all possible indicators, just those listed on the next page. We have excluded indicators that are not directly applicable to our operations and those where internal reporting systems are not yet in place. It is our intent to work towards inclusion of all relevant indicators in future reporting. We believe that the indicators that we have reported against reflect the Company's most significant social, socio-economic and environmental impacts and will help our stakeholders make informed assessments and decisions.

This is our first CSR Report. We intend to publish an annual CSR update. More detailed information is available on our website at www.agnico-eagle.com.

Presentation of data

In this report, all monetary values are expressed in United States dollars, and all measurements are in metric units unless otherwise specified.

More detailed financial information can be found in our 2009 Annual Report available on our website at www.agnico-eagle.com.

Material indicators

The indicators determined by AEM to be material are outlined below.

Company indicators

AEM1	Number of safety and environmental inspections carried out
AEM2	Number of internal audits carried out
AEM3	Number of persons that received HSE induction
AEM4	Number of formal safety meetings carried out
AEM5	Number of accident/incident analyses carried out
AEM6	Number of presentations/formal meetings with external groups

Towards Sustainable Mining indicators

TM1	Tailings management policy and commitment
TM2	Tailings management system
TM3	Assigned accountability and responsibility for tailings management
TM4	Annual tailings management review
TM5	Operation, maintenance and surveillance (OMS) manual
EU1	Energy use management
EU2	Energy use reporting system
EU3	Energy use intensity performance target
GHG1	Greenhouse gas management system
GHG3	Greenhouse gas emissions intensity performance target
EO1	Community of interest (COI) identification
EO2	Effective community of interest (COI) engagement and dialogue
EO3	Community of interest (COI) response mechanism

GRI G3 indicators

EN3	Direct energy consumption by primary energy source
EN4	Indirect energy consumption by primary energy source
EN6	Initiatives to provide energy efficiency or renewable energy based on products and services, and reductions in energy requirements as a result of these initiatives
EN8	Total water withdrawal by source
EN9	Water sources significantly affected by withdrawal
EN10	Percentage and total volume of water recycled and re-used
EN16	Total direct and indirect greenhouse gas emissions by weight
EN21	Total water discharge by quality and destination
EN22	Total weight of waste by type and disposal method
EN23	Number and volume of significant spills
MM3	Total amounts of overburden, rock, tailings and sludge presenting potential hazard
LA1	Total workforce by employment type, employment contract and region
LA10	Average hours of training per year per employee category

Governance and ethics

AEM strives to earn and retain the trust of shareholders through a steadfast commitment to sound and effective corporate governance. Our governance practices reflect the structure and processes we believe are necessary to improve Company performance and enhance shareholder value. As governance standards change, and our Company grows, these practices are assessed and modified as needed. AEM's corporate governance, business practices and policies are set out in our Board mandate, Board committee charters, and Code of Business Conduct and Ethics. These documents can be found on our website at http://www.agnico-eagle.com/English/Our-Company/CorporateGovernance/default.aspx.

Our Board consists of 12 directors, all but three of whom are independent of management and free from any interest or business that could materially interfere with their ability to act in the Company's best interests.

The Board is ultimately responsible for overseeing the management of the business and affairs of the Company and, in doing so, is required to act in the best interests of the Company. It discharges its responsibilities either directly or through four committees – the Corporate Governance Committee, the Audit Committee, the Compensation Committee, and the Health, Safety & Environment (HSE) Committee.

Sustainable development assurance

Responsibility for corporate oversight of AEM's corporate social responsibility activities is held by two of AEM's executive officers – the Vice-President of Human Resources is responsible for safety, health and human resources, and the Vice-President of Environment and Sustainable Development (SD) is responsible for environment and community engagement. Both officers report to the Board of Directors on CSR issues at least once per quarter through the HSE Committee. In 2009, AEM created the position of Corporate Director of Sustainable Development, reporting to the Vice-President of Environment and Sustainable Development. The role is tasked with leading AEM's SD initiatives and overseeing SD performance at each of our operating divisions.

Code of Business Conduct and Ethics

AEM has adopted a Code of Business Conduct and Ethics that is applicable to all directors, officers, employees and contractors. The Code embodies the commitment of AEM and its subsidiaries to conduct their business in accordance with all applicable laws, rules and regulations, and the highest ethical standards. The Code of Business Conduct and Ethics is available on our website at http://agnico-eagle.com/English/Our-Company/CorporateGovernance/Code-of-Business-Conduct.

We have established a toll-free compliance hotline for anonymous reporting of any suspected Code violations, including concerns regarding accounting, internal accounting controls or other auditing matters. There is no retaliation or other action taken against any AEM employee who reports a complaint. Anyone engaging in retaliatory conduct will be subject to disciplinary action by AEM, which may include termination. Each quarter, a report is submitted to the Audit Committee outlining the complaints received since the previous report. Information on how to report suspected Code violations is available on our website at http://www.agnico-eagle.com/ English/Our-Company/CorporateGovernance/ EthicsHotline/default.aspx.

Human rights

As part of the AEM growth strategy, AEM's Board of Directors has explicitly stated that the Company will not work in places of high political risk. AEM defines political risk as the risk of a strategic/financial loss for the Company as a result of non-market factors such as macroeconomic and social policies (fiscal, monetary, trade, investment, industrial, income, labour and developmental), or events related to political instability often resulting in human rights violations, such as terrorism, riots, coup d'états, civil war and insurrection. AEM's Board of Directors has also made it clear that the Company will only work in regions where human rights laws are respected.

As a Canadian company, we maintain our commitment to the Canadian Charter of Rights and Freedoms while operating internationally, ensuring that all of our employees are treated with the respect and dignity entitled to them.

Child and forced labour

AEM does not in any way knowingly support or facilitate child labour or forced labour practices. This applies to the Company's own mining operations, exploration or any other activity in which AEM is directly or indirectly engaged. This also applies to all outsourced or sub-contracted activities across the entire supply chain directly supplying our activities. We do our best to ensure that none of AEM's activities result in direct or indirect support of such practices and will take action to terminate any such arrangement when we become aware that such practices are being supported by one of our outsourced suppliers.

Bribery and corruption

AEM has zero tolerance for corrupt transactions as clearly stated in our Code of Business Conduct and Ethics. This message is delivered to every employee starting at our employee induction. It is made clear at the point of hire that AEM strongly adheres to the anti-corruption rules and principles as outlined in our Code of Business Conduct and Ethics. Employees sign an acknowledgement that they have read and understand the Code of Business Conduct and Ethics when they start their employment. This acknowledgement is periodically renewed as set out in the Code. We rely heavily on employee due diligence to ensure that our organization remains corruption-free. Failure to adhere to these principles will undoubtedly result in disciplinary action including dismissal.

Public policy participation and political contributions

AEM is a member of the Quebec Association of Mines and the NWT/Nunavut Chamber of Mines. We typically participate in public policy issues as a member of these industry organizations. In Mexico, we are a member of the Canadian Mexican Chamber of Mines. In Finland, we are a member of the Association of Finnish Extractive Resources Industry.

AEM does not directly contribute to any national political parties in the political jurisdictions in which it does business. In 2009, AEM made small contributions (less than $1,000) to assist in local and territorial elections in Nunavut where funding for local politicians is more difficult to raise.



AEM Meadowbank team celebrate the first gold produced – February 27, 2010

Operations and Their Economic Contribution

While the lifespan of our activities is finite, we strive to invest in our host communities to create economic benefits, opportunities and skills development that outlive our activities and contribute to the local population achieving economic, social and environmental sustainability.

Direct economic value generated and distributed

(thousands of US$)	2009
Revenue	$613,762
Operating costs	$306,318
Employee compensation	$166,844
Donations and other community investments	$1,113
Retained earnings	$216,158
Payments to capital providers	$8,448
Payments to governments	$26,514

2009 performance overview

AEM's gold production in 2009 was 492,972 ounces, up from 276,762 ounces in 2008. This 78% increase reflected the new production capacity that came online at Kittila, Lapa and Pinos Altos, as well as a full year of production at Goldex. Higher cash costs of $347 were largely due to production levels at LaRonde and lower realized prices for copper in 2009, as well as elevated costs during the start-up phase of the new mines.

As we enter a new phase of our development, AEM is positioned to continue to perform for shareholders. From 2011 to 2014, annual gold production is forecast to average more than 1.3 million ounces with total cash costs of approximately $400 per ounce, placing us among the lowest-cost major gold producers in the world.

For more information about AEM's 2009 financial and operational performance, please see our 2009 Annual Report.

Metal production

	2009
Gold (ounces)	492,972
Silver (000s of ounces)	4,035
Zinc (tonnes)	56,186
Copper (tonnes)	6,671
Total cash cost per ounce of gold	$347

Financial highlights

Sales	**2009**
Gross sales (millions of US$) – revenues from mining operations	$613.8
Net income	
Net income (millions of US$)	$86.5
Net income per share (US$/share)	$0.55
Cash flow	
Cash flow provided by operating activities (millions of US$)	$115.1
Cash flow provided by operating activities per share (US$/share)	$0.73
Capital expenditures (millions of US$)	$657.2
Proven and probable gold reserves (millions of ounces)	18.398

Site performance

Mine	2009 gold production (ounces)	2009 total cash costs per ounce of gold
LaRonde	203,494	$103
Goldex	148,849	$366
Lapa	52,602*	$751*
Kittila	71,838	$668
Pinos Altos	16,189*	$596
Meadowbank	N/A	N/A

* Partial year.

LaRonde

Our flagship mine continued its solid performance in 2009. Despite having produced approximately 4 million ounces of gold since operations began in 1988, LaRonde still has almost 5 million ounces of gold in proven and probable reserves, among the largest gold reserves at an operating Canadian mine.

Construction of a deep extension of the mine began in 2008 to access higher-grade ore and extend the life of the operation through to at least 2023. Production is scheduled to commence in late 2011. Once full production levels are achieved, LaRonde is expected to produce approximately 380,000 ounces of gold annually.

Goldex

The Goldex mine came onstream in 2008 and operated at, and occasionally exceeded, design rates for most of 2009. It is thought to be one of the lowest-cost hard rock underground operations in the gold industry. In 2009, we approved a $10-million expansion, which will result in the production of an additional 20,000 ounces of gold per year over the mine life.





Lapa

The Lapa mine achieved commercial production on May 1, 2009. While we encountered start-up issues primarily related to higher than expected ore dilution, we have applied our experience from the nearby LaRonde mine to maximize the profitability of Lapa, our highest-grade mine.

Kittila

With the first gold poured at the Kittila mine in January 2009, production increased throughout the year as recoveries improved, and we anticipate operating at design rates throughout most of 2010. The Kittila mine is one of the largest known gold deposits in Europe and is expected to produce more than 150,000 ounces of gold annually. We are assessing the economic feasibility of increasing annual gold production by at least 50% through a mill expansion and the sinking of a mine shaft.



Pinos Altos

By year-end 2009, the Pinos Altos mine was pouring gold from both its heap leach and milling operations. Ramp-up to full production levels will continue in 2010. We expect Pinos Altos to produce, on average, more than 200,000 ounces of gold per year.

In 2009, we approved a $64-million project to construct a 4,000-tonne-per-day open pit, heap leach operation at the Creston Mascota deposit near the Pinos Altos mine. Production should begin in 2011 and last for at least five years, adding 46,000 ounces of gold production annually. We are also considering putting several other satellite deposits into production and expanding the Pinos Altos plant.

Meadowbank

In late February 2010, the most recent and largest of our mines poured its first gold. Meadowbank is expected to produce approximately 350,000 ounces of gold annually through its expected 10-year life. We are studying the possibilities of increasing production by accelerating development of two open pits, increasing the mill throughput by about 18% and building an underground operation.



AEM mine rescue team underground
in the Abitibi region of Quebec

Workplace and Our People

AEM employees are crucial to our success and represent our greatest strength. We work hard to create a work environment at each of our mine sites where all of our people are treated well and empowered to innovate.

Workforce hired from local community

(proportion of AEM workforce hired from local* community – %)

Location	2009
LaRonde	100%
Goldex	100%
Lapa	100%
Kittila	56%
Pinos Altos	66%
Meadowbank	36%

* Local community is defined by AEM as the regional economic area surrounding each of its operating mines. At Goldex, LaRonde and Lapa, the local community is defined as the Abitibi region, at Kittila the local community is defined as Lapland, at Pinos Altos the local community is defined as the El Campo Municipality, and at Meadowbank the local community is defined as the Kivalliq region of Nunavut.

Safety

We recognize that every workplace injury involves harm to our employees and their families. Creating and maintaining a safe workplace is a shared responsibility of the Company and each employee. AEM's Health & Safety Policy sets out our commitments and expectations (see page 74).

In 2009, the combined LTA frequency for all AEM employees and contractors working at our sites was 2.65, better than our target of 3.7. For perspective, the average LTA frequency for the metal mining industry in Quebec in 2009 was 3.8. Our ideal objective is to have a zero LTA frequency; however, for 2010, we aim to improve on our 2009 performance.

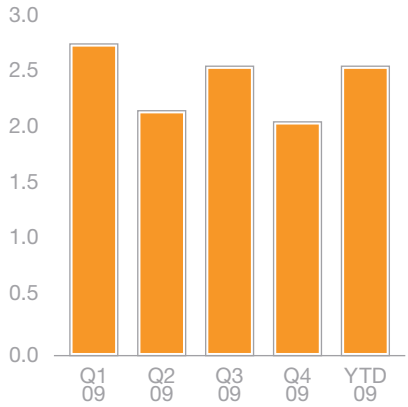




AEM Division	2009 LTA frequency
LaRonde	3.98
Goldex	2.16
Lapa	5.60
Kittila	3.68
Pinos Altos	1.25
Meadowbank	2.42
AEM combined*	**2.65**

* This number includes exploration and corporate office statistics.

AEM combined LTA frequency by quarter in 2009







Safety awards

We are very proud of the commitment to safety and the innovative spirit of our employees. In 2009, two teams were publicly recognized for their accomplishments:

The LaRonde Mine Rescue Team won the Quebec provincial mine rescue championship for an unprecedented fifth consecutive year. The team is now involved in training the next generation of mine rescue team members at AEM's new mining operations in Mexico and Finland. The Goldex mine rescue team aims to win its first title in 2010.

A team of LaRonde employees was recognized by the Quebec CSST (Commission de la santé et de la sécurité du travail) for creating an innovative ground-support anchor system that improves underground and hard rock mining safety. This new hybrid rock-anchor system has a friction and resin-based bolt design that provides better ground support. It is of particular value at LaRonde, where deep underground development makes the ground prone to sliding rock plates.





Employer of Choice

We understand the value of being seen as the "Employer of Choice" in the communities in which we operate. It enables us to recruit and hold onto the best talent. However, being the Employer of Choice has to be earned through our performance on a continuous basis.

In 2009, AEM was recognized as one of the Top 90 Employers in the Greater Toronto Area by *Maclean's* Magazine and Eluta.ca. Reasons for our selection included recognition of our competitive benefits, including support for new mothers and fathers, or adoptive parents with parental-leave salary top-ups, and a wide range of flexible work options, such as telecommuting, reduced summer work schedule, and a 35-hour work week with full pay.

In the Abitibi region of Quebec, we are known as a pillar in the local communities where we have a presence. Not only is AEM the largest private sector employer in the Abitibi region but it is also considered to be one of the premier employers. Many employees and senior leaders have been with the Company for more than 20 years.

As AEM expands in the Kivalliq region of Nunavut in northern Canada, we are able to offer employment opportunities to remote communities. For example, the establishment of the Meadowbank mine led to a significant decrease in unemployment in the nearby community of Baker Lake, and brought much-needed stimulus to the local economy.



In the Baker Lake area, local Inuit artists indicated that it was becoming difficult to obtain good quality carving stone. Our Inuit employees noted that they occasionally came across what looked like good stone in the waste rock coming from the Meadowbank mine. As a result, we have started supplying local artists with a new source of carving stone. We hope this spirit of cooperation will continue for many years.

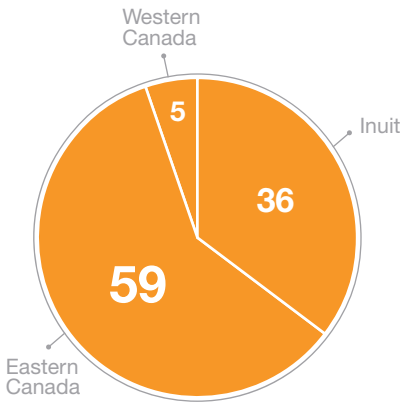
Our Kittila mine has had a similar effect. Located close to a ski resort, the Kittila area's local economy was almost exclusively dependent on the busy winter months, and most businesses shut down during the summer. AEM has provided year-round employment, with the same competitive benefit packages we strive to provide at all of our divisions. At Pinos Altos, the mine has given the local economy a significant boost, creating new employment in an area where it was badly needed.

Supportive work environment

AEM strives to empower employees, treating them in a fair, respectful and open manner, and seeking their input and involvement in meaningful ways at all phases of operations. We have seen the benefits of building such a supportive work environment through the years, with one of the lowest turnover rates in the mining industry, year after year, in northwestern Quebec, where the Company originated.

At each of our Canadian mines, we have a collaboration committee consisting of employees from different areas of the mine who are elected to represent their co-workers. These representatives meet regularly with local mine management to discuss all issues of concern to employees including employment conditions, compensation, work schedules and procedures, equipment selection and grievances. We intend to extend this model to Finland and Mexico with due allowance for the unique requirements and history in both countries.

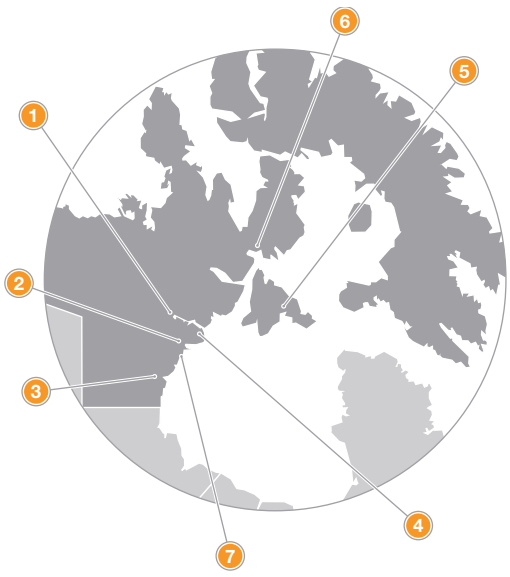
Meadowbank employee demographics (%)



At each division, senior managers meet at least quarterly with all employees to exchange information on how we are doing and what we can do better.

We work with employees to develop their skills, advance their careers and focus the organization on common goals. The recent commissioning of the Goldex, Lapa, Kittila, Pinos Altos and Meadowbank mines provided opportunities for cross-pollination of technical knowledge. For example, employees from LaRonde, Goldex and Meadowbank assisted in the start-up and training at Kittila and Pinos Altos. The start-up at Meadowbank also benefited from similar assistance. We believe that as the technical proficiency of the new mines reaches maturity, they will in turn contribute to the technical advancement in other divisions.

Employee transfers from our LaRonde base to other divisions required us to hire new employees at LaRonde to replace those who had moved onto other roles within AEM. As a result, almost 40% of the LaRonde workforce in 2009 had been with the Company for less than one year. However, the mine continued to meet its production targets – a testament to the commitment of the workforce at this operation, which has been the heart of AEM over the years.



Home community in Nunavut	Number of AEM Inuit employees travelling from their home community on a two-week-on/ two-week-off rotation
1. Baker Lake	125
2. Rankin Inlet	19
3. Arviat	21
4. Chesterfield Inlet	2
5. Coral Harbour	2
6. Repulse Bay	2
7. Whale Cove	1
Total	**172**

Diversity

At AEM, we are proud of the diversity of our workforce, and consider it to be an asset. Our Kittila mine in Finland is one of the largest gold deposits in Europe, and is now supported by a mainly Finnish workforce. Our Meadowbank division rests within the Inuit-governed territory of Nunavut. In 2009, 36% of the permanent and temporary workforce at the Meadowbank mine was made up of Inuit employees (Nunavummiut).

AEM has a program in place at each of its divisions to help families with the cost of post-secondary education for their sons and daughters. The program involves both an annual bursary payment and a promise of guaranteed summer employment for each employee's child who goes on to post-secondary education.

In Mexico, at Pinos Altos, 98% of our workforce is Mexican, with 66% coming from the local economic area. A key challenge in Mexico is the security of our employees as they commute to and from the mine. The current drug war threatens the peace and security of our people. Although we have instituted a number of initiatives to increase the security of our employees, it remains a significant challenge.

We are also delighted by the diversity of our head office in Toronto, where 14 different languages are spoken among approximately 40 people ranging in age from 24 to 65.





Equal opportunity

Our personnel management decisions are made on the basis of merit and contribution to the Company's success. Concern for the personal dignity and individual worth of every person is an indispensable element in our standard of conduct. AEM gives equal employment opportunity to all qualified persons without regard to any criterion or circumstance outside of competence and attitude. We do not tolerate or condone any type of discrimination prohibited by law, including harassment. Employees who experience or observe work-related discrimination, harassment or similar problems are urged to report them.

Whereas in Canada and Finland equal human rights have long been the employment standard, AEM is proud of the progress made at our Pinos Altos mine in Mexico, where gender equality and discrimination laws are not as firmly in place. At Pinos Altos, we have received certification as a Socially Responsible Company (Empresa Socialment Responsable) from the Centro Mexicano para la Filantropia and for providing Equality of Women's Rights in the Workplace (Equidad de Genero). We are in the process of implementing the Gender Equity Model, which is done through the national women's institute in Mexico.





Community service awards

As a company, we encourage and support the values of Company founder Paul Penna. Three years ago, we initiated the Paul Penna Award, which is awarded to employees who best demonstrate community involvement, charitable acts and commitment to their communities, families and workplace.

Every year, we're proud to receive lists of employee nominees from all our divisions, reminding us that we are fortunate to have such dedicated employees. Recent nominees of the award have participated in the building of schools in Mexico, volunteered for the local fire brigade in Kittila, donated their time and expertise to local Quebec colleges experiencing teacher shortages, coached youth sports teams in Nunavut, been actively involved with the Big Brother organization in Toronto and participated in the Adopt a Family program during Christmastime in Nevada. As we continue to expand, we take great pride in knowing that our employees will not only provide us with hard work and dedication to their jobs but will also serve as powerful examples within our communities.



The Goldex Mine - Located close to residential areas of Val d'Or, Quebec

Contributing to Sustainable Communities

We recognize that our main benefit and responsibility to our host communities is through the provision of well-paid local employment, skills development that enhances the ability of our local workforce to obtain similar employment elsewhere when our activities cease, the development of opportunities for entrepreneurial ownership within the community, and leaving a lasting positive mark.

Proportion of AEM spending paid to locally based suppliers

Location	2009
LaRonde	63%
Goldex	63%
Lapa	63%
Kittila	15%
Pinos Altos	69%
Meadowbank	36%





Community engagement

We aim to maintain broad-based, ongoing support for our activities, and devote time and resources to nurturing dialogue and building relationships with local citizens and their communities. This requires engaging the community through a variety of means specific to the country, region and community in which we operate. Our engagement starts as early as possible in the development of AEM's projects.

Goldex

Our Goldex mine is located on the outskirts of the city of Val-d'Or, Quebec, close to homes and businesses. The proximity to the city made it necessary to design the mine infrastructure to minimize interference in the daily lifestyle of our neighbours. This included placing ventilation exhaust fans underground to reduce surface noise levels at the minesite, constructing a dome to enclose the surface ore-storage pile to eliminate dust generation, and locating the tailings storage facility a significant distance from the community.

The mine engages the local community through regular contact with city council to address all issues relating to the mine's operation. Newsletters are used to inform residents of ongoing and future activities at the mine. An automated phone contact system has been implemented to advise neighbours of upcoming underground blasting activity. Vibration monitoring has been put in place to measure the vibrations caused by blasting within the local neighbourhoods, which has in turn led to refining the blasting patterns and timing to minimize disruptions.

LaRonde

At LaRonde, the deterioration of the existing noise-attenuation facility at the mine ventilation fans caused by corrosive agents in the mine air exhaust has led to increasing ambient noise, which is disrupting for nearby cottagers. We have been working with the two local councils and individual cottage owners to monitor, understand and remediate this increased disruption. Noise mitigation measures to date include the installation of new noise attenuation barriers and construction of new fan enclosures. We continue to work on this issue.

Meadowbank

At Meadowbank, a Community Liaison Committee was formed with the community of Baker Lake to provide a forum for ongoing community engagement in an area seeing industrial development for the first time ever. The committee, which includes elders, community leaders, and business community and youth representatives, comes together with mine management to address all issues relating to this development and how it impacts the community.

Because the Meadowbank mine was built on Inuit-owned land, royalties and social benefits are flowing to the Inuit through their designated organizations to be spent on furthering their own objectives. To this end, AEM has signed and implemented an Inuit Impact Benefits Agreement that provides funding for education and skills development, and is finding ways to maximize local Inuit employment and business opportunities and to develop skills that will enable our Inuit employees to advance. We have organized tours of the Meadowbank site (which is located 70 kilometres from the nearest community) for elders, community leaders, members of the local hunter and trapper organization and school groups, so that people can see first-hand what is happening, and to help them understand the development and its impacts. We have signed and implemented a water compensation agreement with the Inuit to provide compensation for water used and/or diverted as a result of our activities. Royalty payments for the gold extracted flow to the Inuit through Nunavut Tunngavik Inc., the designated Inuit organization overseeing mineral development on Inuit-owned lands.

Pinos Altos

At Pinos Altos, we are pleased to have received certification as a Socially Responsible Company (Empresa Socialmente Responsable) from the Centro Mexicano para la Filantropia for the second year running. This certification is overseen by a committee of 25 people who audit the performance of the mine against a wide range of factors addressing corporate social responsibility. Pinos Altos has also received certification for providing Equality of Women's Rights in the Workplace (Equidad de Genero). A dedicated community relations team has been established at Pinos Altos to meet with local communities and create opportunities for ongoing community engagement in an area where little industrial development has taken place in the past.





Honouring local cultures

We recognize the importance of honouring the diverse cultures represented at our operations and the value of working with the communities to help them achieve their own objectives in a sustainable manner.

At Meadowbank, we host community feasts and have initiated cross-cultural training for managers so that they can help preserve the Inuit culture and understand the values of Inuit employees. We have implemented policies to address discrimination and harassment with zero tolerance for such behaviour. We operate our remote sites as drug- and alcohol-free zones. We have initiated policies to address freedom of language choices in the workplace. For example, all employees at Meadowbank are free to use their own language both on and off the job with the caveat that English be the common language when communications addressing safety are involved. Signage at Meadowbank is in English and Inuktitut.

At Pinos Altos, we are assisting the community in developing and operating a mechanics school that trains local people to be engine mechanics and to operate the heavy equipment used at Pinos Altos and other industrial developments in their area. With the cooperation of the University of Chihuahua, we bring dental care to the villages around the Pinos Altos site through bi-annual clinics. The mining camp's sports facilities are used from time to time to host local sporting events.





AEM also provides financial support to each of the communities in which we operate, ranging from support of local sports and recreation programs to cultural events.

The mine accommodation camp at Pinos Altos was constructed using local materials and labour to maximize local involvement.

In 2009, AEM helped the town of Kittila to upgrade the local soccer fields. A similar arrangement is in place to upgrade the town's hockey arena. We make it a priority to support community initiatives directed at youth development.

AEM purchases its food for the Meadowbank camp through a joint venture company involving the Sanavik Co-op in Baker Lake. We have pledged to return our membership dividend derived from these purchases back to the Co-op to enable the Co-op to improve its facilities in Baker Lake. This enables the Co-op to offer a competitive alternative to other businesses in Baker Lake, where the price of food is very high due to its remote location and high transportation costs.

Over the past three years, AEM's donations to local community initiatives from its various operations have averaged $750,000 per year. In 2009, AEM's community donations totalled $1.1 million or 0.2% of revenue (0.5% of retained earnings).



Aerial view of Basaseachic Falls near the Pinos Altos mine in Chihuahua State, Mexico

Respect for the Environment

From exploration through mining, AEM works hard to preserve and protect the natural environment by implementing sound environmental management systems and processes at all stages of our business activities, and by continuously improving environmental performance. This drive for improvement is exemplified by the research and development work done in the area of water treatment, leading to the use of a wide range of water treatment technologies.

Examples of water treatment technologies in use at AEM mining sites

Type of treatment	Location
Lime precipitation of metals	LaRonde Kittila
Flocculation and coagulation of suspended solids	LaRonde Lapa Kittila Meadowbank
Biological treatment of thiocyanate in tailings pond water	LaRonde
Biological treatment of sewage	Lapa Kittila Pinos Altos Meadowbank
Peroxy-silicate treatment of cyanide and metals in tailings pond water	LaRonde
SO_2-air cyanide destruction	Kittila Pinos Altos Meadowbank
Ammonia treatment	LaRonde Lapa

Our commitment

AEM's commitment to protecting the environment starts with the Board of Directors and is communicated to all levels of the organization through our corporate Environmental Policy. While responsibility starts at the top, accountability for protecting the environment extends to every employee and contractor. Everyone is expected to understand and act in accordance with Company and regulatory compliance requirements and to report unacceptable practices to management. We are committed to an open and transparent reporting relationship on our environmental performance with the relevant regulatory agencies, local communities and landowners, and with the general public potentially affected by our activities.

In line with our environmental policy, we are committed to achieving high standards of environmental performance. Our operations are required to meet and, where practicable, exceed relevant laws, regulations and standards. We believe in using industry best practices wherever we operate to ensure that our operations minimize, to the greatest practical extent possible, our impact on the environment. Each operation is required to identify, analyze and manage the environmental risks specific to its activities and to work in a transparent manner with involved local stakeholders.

In all parts of our business, we limit our environmental impacts through the efficient use of natural resources, by limiting or preventing pollution and by reducing waste.

When environmental incidents occur, we determine the cause and take steps to prevent recurrence. We have emergency preparedness and spill response plans at each of our operations and train our employees to ensure an efficient response when incidents do occur. For example, at our Meadowbank mine, we already have 50 to 60 people trained in emergency response even though production has just started.

Please see page 75 for the AEM Environmental Policy.

Environmental protection measures at our sites

LaRonde	Biological treatment plant treats all process water; noise attenuation programs reduce underground ventilation fan noise for local cottagers; about 40% of the tailings produced by the mill are returned underground in the form of paste to be used as backfill.
Goldex	Compact site; ventilation fans are located underground to minimize noise disturbance; 100% recirculation of mine dewatering water; dome covers the ore stockpile and minimizes dust; tailings are used to rehabilitate the Manitou site in cooperation with the Quebec Ministry of Environment.
Lapa	Compact site with the milling conducted at a new mill at the LaRonde mine; all waste rock brought to the surface is stockpiled and returned underground as backfill.
Kittila	Waste rock pile encapsulates potential acid-generating rock within neutralizing rock; lined tailings impoundment; cyanide destruction treatment plant treats mill tailings before discharge into the tailings containment area; annual program restocks fish in the local river.
Pinos Altos	Dry tailings disposal; cyanide destruction treatment plant before filtration of mill tailings; native species nursery grows transplanted native vegetation disturbed by mining and provides native vegetation for use during ongoing reclamation work.
Meadowbank	Cyanide destruction treatment of mill process waters before discharge into the tailings impoundment; waste rock pile encapsulates acid-generating rock within an excess of acid-neutralizing rock; fish habitat compensation initiatives; extensive wildlife monitoring and mitigation measures.

2009 performance snapshot

In 2009, we continued to increase awareness and develop our management systems to improve environmental stewardship at all operations. We had no serious environmental incidents to report and no compliance actions were taken at any of our sites.

Work continued on implementing environmental committees at each operating mine. These committees, consisting of employees and management, address local environmental management issues and performance. The objective is to ensure that our respect for the environment is communicated to all employees and that they are given the responsibility of participating with management in turning this respect into concrete action at all levels within our organization. Environmental committees are now in place at LaRonde, Goldex and Lapa. A priority for 2010 is to implement similar systems at our newer operations of Kittila, Pinos Altos and Meadowbank.

Towards Sustainable Mining initiative

Towards Sustainable Mining (TSM) is an initiative developed by the Mining Association of Canada (MAC) to improve the industry's performance by aligning its actions with the priorities and values of Canadians.
TSM provides a way of finding common ground with communities of interest in order to build a better mining industry, today and in the future. TSM is based on a set of guiding principles that are in turn supported by performance elements and indicators. More detailed information on these principles can be found at http://www.mining.ca/www/media_lib/TSM_101/MAC_TSM_101_Primer_February_2010_FINAL.pdf.

TSM was developed to help mining companies evaluate the quality, comprehensiveness and robustness of their management systems under four performance elements:

- **Tailings management** – The purpose of this indicator is to ensure sound management of tailings facilities including a commitment to locate, design, construct, operate and close tailings facilities so that all structures are stable, all solids and water are managed within the designated areas, and all structures comply with Company standards, MAC policy, legislative requirements and commitments to stakeholders. Indicators for this element include tailings management policy and commitment, a tailings management system, assigned accountability and responsibility for tailings management, annual tailings management review and an operation, maintenance and surveillance (OMS) manual for each tailings facility.

- **Energy use and greenhouse gas (GHG) emissions management** – TSM requires a company to have a formal energy management system and a GHG emissions management system in place, to publicly report comprehensive energy use and GHG emissions, and to set and achieve energy intensity and GHG emission-intensity performance targets.

- **External outreach** – TSM requires a company to identify its community or communities of interest, to develop and implement a dialogue and/or engagement process with these communities, to develop a response mechanism to address concerns and issues raised by these communities, and to develop and implement a public reporting system on this engagement.

- **Crisis management planning** – TSM requires a company to develop crisis management preparedness plans, which are to be periodically reviewed, and to train its employees on these plans.

TSM sets criteria for each of these four indicators to help companies address their TSM performance. The criteria follow a five-level performance rating scale:

Level	Criteria
1.	No systems in place; activities tend to be reactive; procedures may exist but they are not integrated into policies and management systems.
2.	Procedures exist but are not fully consistent or documented; systems/processes planned and being developed.
3.	Systems/processes are developed and implemented.
4.	Integration into management decisions and business functions.
5.	Excellence and leadership.

TSM performance

AEM started work in 2009 to assess its performance under the four TSM elements using the suggested indicators. Our priority for 2010 is to achieve a minimum Level 3 performance rating for each element at each operation.

Towards Sustainable Mining initiative – AEM self-assessment for 2009

TSM performance element	LaRonde	Goldex	Lapa[1]	Kittila	Pinos Altos
TM1 tailings management policy and commitment	Level 2	Level 2	N/A	Level 2	Level 2
TM2 tailings management system	Level 3	Level 2	N/A	Level 2	Level 5
TM3 assigned accountability and responsibility for tailings management	Level 3	Level 2	N/A	Level 3	Level 5
TM4 annual tailings management review	Level 2	Level 2	N/A	Level 2	Level 2
TM5 operating, maintenance and surveillance manual for tailings and water management facilities	Level 3	Level 4	N/A	Level 1	Level 3
EU1 energy use management system	Level 2	Level 2	Level 2	Level 1	Level 2
EU2 energy use reporting system	Level 2	Level 2	Level 2	Level 2	Level 2
EU3 energy use intensity performance target	Level 1	Level 3	Level 1	Level 2	Level 1
GHG1 GHG management system	Level 1	Level 1	Level 1	Level 1	Level 1
GHG2 GHG reporting system	Level 3	Level 3	Level 3	Level 3	Level 1
GHG3 GHG emissions intensity performance targets	Level 1	Level 1	Level 1	Level 1	Level 1
EO1 community of interest identification	Level 2	Level 4	Level 2	Level 2	Level 3
EO2 effective community of interest engagement and dialogue	Level 2	Level 2	Level 2	Level 2	Level 2
EO3 community of interest response mechanism	Level 2	Level 3	Level 2	Level 2	Level 3
EO4 reporting	Level 2	Level 2	Level 2	Level 2	Level 2
Crisis management planning	Level 1	Level 1	Level 1	Level 1	Level 1

[1] The Lapa mine does not operate a tailings facility. All ore from Lapa is milled at LaRonde with tailings co-disposed with the LaRonde tailings.

Climate change

AEM recognizes that changing environmental conditions have major implications for economic viability, and for the social and cultural well-being of our world as a whole. We recognize that taking a pro-active approach to reducing future uncertainties starts by identifying and anticipating potential vulnerabilities at each of our operations.

In 2009, AEM began by identifying key environmental risks including those associated with climate change. An environmental risk identification and rating process was started at our Abitibi operations and will continue at each of our other mining operations in 2010. This allows AEM to focus on developing mitigation and/or adaptive strategies in those parts of its operations where the risks are identified as being significant. An example would be to assess the long-term effect of changing climatic conditions on the current water balance at each of our mining operations and to develop strategies to change the way we manage water where necessary to allow us to continue operating in a sustainable manner.

We monitor and annually report our direct and indirect GHG emissions to the international Carbon Disclosure Project both in tonnes of GHG and intensity (amount of emission per unit of production). We have set up energy management committees (consisting of both management and employee representatives) at some of our established mine sites to monitor energy performance and work on initiatives to minimize energy consumption. These reductions are often achieved in small steps suggested and led by our employees. For example, our Meadowbank operation has a No Idling policy in place for all light mine vehicles despite being located in one of the harshest Arctic winter climates on earth. It was found that leaving light vehicles idling when not in operation in winter was unnecessary, and other techniques could be used to keep the vehicles operational. This approach reduced fuel consumption and the associated GHG emissions.

At the LaRonde mine, a small change was made to the winter heating of the active mining areas underground (active stopes). Previously, from December to the end of March, the temperature in these stopes had been maintained at 3°C. In 2009, the temperature was reduced to 1°C. By doing this, the natural gas consumption used in heating underground mine air was reduced by 400,000 cubic metres. This reduction in energy consumption resulted in a corresponding decrease in GHG emissions of 770 tons of CO_2.

Energy use

The primary energy source at the LaRonde, Goldex, Lapa and Kittila mines is hydroelectric power drawn from either the provincial (Quebec) or national (Finland) power grids. At Pinos Altos, the primary energy source is electricity also drawn from the national power grid. However, in Mexico, this power comes from a combination of hydroelectric and thermal power plants (mostly from burning diesel or other petroleum-based fuel).

Meadowbank is a remote site with no viable connection to any power grid. Nunavut currently has no power distribution grid due to the vast size of the territory and the remoteness of its communities. Consequently, at Meadowbank, we generate our own power through the combustion of diesel fuel. Waste heat from the Meadowbank power plant is used to heat the buildings at the mine which, in this Arctic setting, results in a considerable power savings. In late 2009, we installed a wind turbine data collection tower to assess the feasibility of utilizing wind-generated power as a secondary power source to offset diesel-fuel-generated power.

At Pinos Altos, there is a shortage of power available from the national grid during peak hours. Consequently, AEM uses its own diesel-generated power to reduce its draw from the national power grid during these peak periods.

Through our energy management committees, we look for initiatives that can be implemented at each work site to reduce overall energy use per unit of production, and thereby also reduce associated GHG emissions per unit of production.

Energy use by source in 2009

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	**Total**
Electricity (in millions of KW)	327	114	29	105	12	**587**
Natural gas (in GJ)	238,332	34,837	34,066	0	0	**313,694**
Diesel (in kilolitres)	4,438	1,319	1,129	3,774	2,085	**13,345**
Propane (in kilolitres)	0	0	0	0	1	**1**
Gasoline (in kilolitres)	0	0	5.2	0	0.4	**5.6**

GHG Emissions by Source in 2009 (Tonnes of CO_2 Equivalent)

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	**Total**
Total direct GHG emissions	30,857	7,046	4,047	45,878	16,224	**104,052**
GHG intensity						
CO_2 equivalent per tonne of ore processed (tonnes of CO_2 equivalent per tonne milled)	0.0121	0.0027	0.0135	0.0288	0.0505	**0.0166**
CO_2 equivalent per ounce of gold produced (tonnes of CO_2 equivalent per ounce of payable gold produced)	0.1516	0.0473	0.0769	0.2258	0.7085	**0.2111**
Tonnes milled	2,546,000	2,615,000	299,000	563,000	227,000	**6,250,000**
Payable gold production (ounces)	203,494	148,849	56,602	71,838	16,189	**496,972**

Water management

Water management plays a critical role in the sound management of our environmental impact. The key principle in water management is to minimize consumption of fresh water, whether from ground or surface sources. AEM achieves this by maximizing water re-use and recycling. For example, at Pinos Altos, we filter all of our mill tailings and then convey a dewatered tailing to our tailings containment facility. This allows for the recovered water to be re-used within the mill processing plant.

We also manage all storm water at our sites to divert "clean" or un-impacted precipitation runoff (snow melt and rain) away from our work areas wherever practical. We collect precipitation runoff from impacted lands, monitor its quality, and release or treat it where necessary to ensure protection of the surrounding aquatic environment.

Water use by source in 2009 (cubic metres)

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	**Total**
Total volume of water withdrawn from any source	1,097,085	1,321,504	373,095	1,096,668	57,614	**3,945,966**
Groundwater consumed	0	7,300	7,300	7,560	57,614	**79,774**
Surface water consumed	1,097,085	1,092,184	218,795	1,089,108	0	**3,497,171**
Rainwater collected and stored	0	220,221	147,000	0	0	**369,021**
Total recycled water consumed	3,878,785	1,413,536	144,000	1,069,348	51,738	**6,557,407**
Per cent of total water recycled or re-used/total volume of water withdrawn from any source	353%[1]	107%[2]	39%	97%[3]	90%[4]	

[1] This number is calculated using the GRI definition. Most of the water feeding the mill is recirculated; the freshwater intake represents only a small portion of the water usage.

[2] This number is calculated using the GRI definition. Most of the water feeding the mill comes from recirculation from the auxiliary tailings pond.

[3] This number is calculated using the GRI definition. Since a large portion of the water in the Kittila tailings pond is recycled at the mill, this greatly reduces the use of freshwater.

[4] This number is calculated using the GRI definition. This number is only for the last quarter of 2009 when the mine was in operation. Since Pinos Altos uses the underground mine dewatering water to feed the mill and tailings are filtered dry, very little freshwater is used.

Meadowbank did not come into production until 2010.

Water discharge by source and destination in 2009 (cubic metres)

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	**Total**
Final effluent	2,480,295	1,148,549	132,226	1,925,836	0	**5,686,906**
Domestic water discharged into a municipal treatment system	0	0	0	0	0	**0**
Domestic water treated by AEM and discharged directly into the environment	29,292	7,300	7,300	7,497	6,876	**58,2651**

Pinos Altos filters all mill tailings and thus has no effluent discharge from the tailings containment facility.

Meadowbank did not come into production until 2010.



Near the Meadowbank mine, we are working to enhance the potential fish habitat in other areas of the same watershed. New spawning gravel beds were constructed at a stream crossing along the 110-kilometre access road between Baker Lake and Meadowbank to offset any harm caused by the nine clear-span bridges constructed along the road. Similar projects are in development to offset the impact on fish habitat caused by the dewatering of a portion of Second and Third Portage lakes to allow mining. These activities are undertaken under authorizations obtained from Fisheries and Oceans Canada.

Biodiversity conservation

At each of our operations, we strive to minimize our surface footprint in order to limit our impact on the surrounding ecosystems. We have reclamation plans in place for all mining operations with the long-term objective of restoring each site to an environmentally safe, and chemically and physically stable condition.

At Meadowbank, we respect the wildlife that migrates into areas close to our operations. In 2009, road traffic on the access road between Baker Lake and Meadowbank was suspended for several days to allow a large herd of caribou to pass safely through the area. We have extensive wildlife monitoring programs and contribute financially to the Government of Nunavut's caribou monitoring and collaring activities.

None of our operations adjoin or directly impact protected areas or areas of high biodiversity importance. Nevertheless, we follow procedures to minimize any adverse impact that our operations may have on biodiversity. At Pinos Altos, we collect and relocate flora of local significance to ensure minimal impact on biodiversity. We also operate a plant nursery to provide a source for local seedlings for our ongoing revegetation and reforestation activities on mine-impacted lands.

At each operation, we limit the size of our facilities to just what is needed to operate effectively. For example, at Meadowbank, our leased boundary takes in approximately 1,200 hectares but our actual disturbance has been limited to approximately 250 hectares.

Waste and tailings management

Mining, by its nature, generates large volumes of waste rock and mill tailings. Mill tailings are the ore residue that remains following the extraction of gold or other metals of value. Mill tailings are fine sand mixed with process water.

Total waste produced in 2009 by type (tonnes)

	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	**Total**
Overburden	0	0	0	507,300	10,000,000	**10,507,300**
Waste rock (total)	36,250	173,736	414,745	9,187,790	18,900,000	**28,712,521**
Returned underground as backfill	0	0	0	77,790	0	**77,790**
Used in tailings dam construction	18,125	25,000	0	1,200,000	N/A	**1,243,125**
Used in other construction	0	27,829	0	0	N/A	**27,829**
Placed on surface waste rock piles	18,125	120,907	414,745	7,910,000	N/A	**8,463,777**
Mill tailings (total)	1,961,967	2,573,645	0	3,679,200	198,181	**8,412,993**
Returned underground as backfill	466,166	0	0	0	0	**466,166**
Placed in surface tailings containment	1,495,801	2,573,645[1]	0	3,679,200	198,181	**7,748,646**

[1] At Goldex, the majority of the mill tailings are directed to the Manitou site for use in capping and to neutralize and rehabilitate the pre-existing, acid-generating tailings. Only a small amount of tailings have been placed in the Goldex Tailings Containment Area (TIA) since the start of operations in 2008 (only 5,882 tonnes were placed in the Goldex TIA in 2009, the rest went to Manitou).

Lapa ore is milled at LaRonde, with tailings co-disposed with LaRonde mill tailings.

Pinos Altos mill did not come into production until the last quarter of 2009.

Meadowbank did not come into production until 2010.

Not all tailings and waste rock are hazardous. For example, the waste rock and mill tailings at Goldex are not acid-generating and have no leaching potential. These tailings, in fact, contain a large neutralizing potential. At AEM, all mine waste rock and mill tailings are managed in accordance with waste management plans that have been pre-approved by the appropriate regulatory agencies overseeing mining in these jurisdictions. Each plan includes monitoring and reporting activities to ensure that contaminants coming from these waste sources are not adversely impacting the surrounding aquatic environment. The re-use of waste in paste backfill and cemented rockfill underground at LaRonde helps minimize the long-term surface remediation requirements by returning the waste to where it originated, while contributing to the safety of the underground opening.



Process waste water treatment plant at the LaRonde mine

With the exception of LaRonde, all of our mines treat their mill tailings for destruction of residual cyanide compounds at the mill before the tailings are deposited into their respective tailings containment sites. This is in accordance with the International Cyanide Management Code and ensures that all water stored within our tailings impoundments is not acutely toxic to wildlife such as birds and other animals.

LaRonde has a cyanide destruction treatment plant at the tailings containment area to treat all water before it is discharged into the environment. AEM endorses the International Cyanide Management Code and is considering certification at all of its operations (except LaRonde) in the next two years. LaRonde will be able to meet all of the requirements of the Code except the treatment of cyanide prior to the discharge of tailings into the tailings containment area. LaRonde uses natural degradation of cyanide.

At all AEM mining operations, hazardous wastes other than waste rock and mill tailings are collected and sent to a licensed disposal/recycling facility away from the mine. Waste oil at Meadowbank is the only exception because it is used to supply heat for mine facilities, thus offsetting use of other fuels for this purpose.



Goldex

Acid-neutralizing mill tailings from Goldex are discharged into the Manitou tailings containment area (an old property left by another company to the Quebec Government without any reclamation) where they are used to cover acid-generating tailings in a controlled engineered manner. Goldex tailings neutralize the acid being produced while at the same time covering the old tailings to significantly reduce future acid production. This is a joint venture arrangement between AEM and the Quebec Government intended to resolve an orphaned mine environmental liability while minimizing new disturbances from mining at Goldex.

Since the start of operations in 2008, 3.2 million tonnes of Goldex tailings have been deposited into the Manitou site, representing approximately 20% of the total volume of tailings that was estimated to be necessary to fully neutralize and encapsulate the acid-generating tailings.

In the spring of 2009, we experienced exceedances of Total Suspended Solids (TSS) concentrations coming from the Goldex tailings containment facility. The facility is a standby tailings containment area intended to keep the Goldex mine operational, if, for some unforeseen reason, tailings discharge into the Manitou facility and have to be curtailed for a short period of time (such as a pump failure). Consequently, only a small volume of Goldex tailings have been discharged into the Goldex tailings containment facility to date.

An investigation was initiated to determine the cause of the TSS exceedances. The source was found to be spring snowmelt and precipitation runoff that came into contact with soils exposed by the construction of this facility. The TSS was from natural sources and not from tailings discharged by AEM. We contacted the Quebec Ministry of Environment to report the incident and the results of our investigation, and prepared an action plan to address the exceedances. The plan was submitted to the regulators for approval and then implemented.

In addition, programs have been implemented at Goldex to monitor and reduce waste, resulting in the recycling of 75% of the non-mineral waste generated at the site.

Meadowbank

At Meadowbank, we continued construction of the dewatering dykes by building Phase 1 of the Goose Island dyke across Third Portage Lake in the summer of 2009. This dyke is required to isolate the future Goose Island pit from the lake. Sediment control was a challenge during this activity and required installing more than four kilometres of floating turbidity barriers at a cost of $2 million, and establishing a dedicated, around-the-clock monitoring program. Despite these actions, short-term exceedances of target sediment release levels still occurred. We took a number of remedial actions to limit adverse impacts and launched monitoring programs to assess the significance of the effects. In addition, a review of mitigation methods was performed to learn from these experiences and to find improved methods for the 2010 construction period.

Dewatering of the section of Second Portage Lake enclosed by the East Dyke in 2008 was started in 2009. A total of 11 million cubic metres of the 15 million cubic metres were transferred in 2009. This included the installation and operation of two new modular water treatment plants with an average treatment rate of 40,000 cubic metres of water per day. To date, these plants have allowed the tight discharge standards to be met for both total suspended solids and turbidity established for this activity.

Kittila

At Kittila, work was started on construction of the second-phase expansion of the tailings containment area with preparation of the base for installation of a low-permeability bituminous liner system in 2010, along with construction of the main dyke. In 2009, we encountered unexpected elevated levels of nickel in the neutralized precipitate pond, leading to the installation of a lime treatment system to reduce these levels. The stored water is now being treated and cycled within the tailings pond in preparation for release into an infiltration field in 2010 once nickel levels have been reduced to the accepted discharge standard. No water was released into the environment from that pond in 2009.

Pinos Altos

At Pinos Altos, we commissioned the tailings filtration plant in 2009, so that all mill tailings are now being filtered and deposited as a dry stack within the tailings impoundment and the filtrate water is recycled to the mill for re-use as process water. A program to recover and move critical vegetation in the mine footprint was continued throughout 2009.

Meadowbank close-up

At Meadowbank, the location of the Portage and Goose Island open pits and the tailings containment facility were under parts of Second and Third Portage Lakes. Dykes or dams were constructed in the lake to separate these areas from the remainder of the lake. The water behind the dykes has then been removed by pumping to leave a dry area in which we can safely work. These dykes consist of three main elements: a rockfill dam that provides the mass to isolate the two parts of the lake; a cut-off trench filled with a mix of bentonite clay and till to prevent water from passing through the rockfill dyke; and a grout curtain installed underneath the cut-off trench to prevent water from passing under the dyke through fractures in the underlying rock of the lake bed. Floating turbidity barriers (yellow in the photo to the right) are installed around the construction zone to hold sediment released into the lake during construction and to give time for this sediment to settle out of the water column. The turbidity barriers are held in place by anchors and go to a depth of within one metre of the lake bottom. In 2008, strong winds periodically allowed sediment to pass under the curtains. Consequently, in 2009, a second turbidity barrier was used so that there would be a second line of defence. This improved the performance, but one large wind event caused the barriers to separate from their anchors releasing sediment into the lake.

At the end of the 2009 construction season, AEM held a workshop with the various regulatory agencies (Environment Canada, Fisheries and Oceans Canada, the Nunavut Water Board, the Kivalliq Inuit Association and the Water Resources Division of Indian and Northern Affairs Canada) to discuss the lessons learned from the 2008 and 2009 dyke construction seasons and to develop alternative construction techniques for 2010. An action plan was developed to modify construction in 2010 to reduce the risk of sediment release that is now being implemented by AEM.

AEM initiated aquatic-effects monitoring studies in 2008 that continued in 2009 to assess whether any significant damage was caused to the lake environment by the sediment releases and to assist in the development of further mitigation measures. This activity continues in 2010.

Water pumped from the portion of the lake behind the dykes is treated through two parallel water treatment plants before being released to the environment. The treatment reduces the total suspended solids or sediment concentrations in the water coming from the section of lake being dewatered, thus ensuring that sediment is not being released during the dewatering activity.



Construction of the first phase of the Bay-Goose dewatering dyke
at the Meadowbank mine – Summer of 2009

Transporting products, goods and materials

AEM uses only reputable, experienced transportation companies to move the goods and materials it uses at its mines from their purchased source. In the case of Meadowbank, most operating supplies come to the mine by sea during an annual sea lift that takes place during the relatively short ice-free Arctic shipping season. We require the marine transport company moving the fuel and operating supplies to have appropriate emergency response and spill procedures in place along with the equipment and training required to implement the plan in the event of an accident.

Product stewardship

AEM is a member of the World Gold Council and supports its initiatives to create a program to assure consumers that their gold jewelery is coming from a mining source where responsible, sustainable practices are being followed, and that their purchase is not going to fund unethical business practices or conflicts. AEM is primarily a gold producer.

Closed sites

In addition to its active mining sites, AEM has responsibility for a few closed mining properties in Quebec. We are responsible for the ongoing care and maintenance and the reclamation of these sites to a condition where the land and water is both chemically and physically stable and the land can be used again for other purposes. Our objective is to restore these sites to a condition where the land can be returned to the province for other use without leaving any remaining public liability or adverse effect to the environment.

Preissac molybdenite

We have a mining concession in Preissac Township, south of Amos, in the Abitibi region of Quebec. This property, a former molybdenite mine, was one of the properties acquired with the Dumagami mine (now the LaRonde property) purchase. The site had a number of owners, including a company that had used the site to burn copper-containing metal waste and left the site littered with barrels of chemicals and contaminated ground. The molybdenite tailings were discharged directly into the environment without containment and were never rehabilitated by the original owner. AEM's only involvement with the site was to conduct an underground exploration campaign in the 1990s. In meeting its obligations for the long-term care and maintenance of this site, we have cleaned the site of all remaining chemicals and other scrap metal debris, demolished the remaining buildings and secured all openings in accordance with Mines Act requirements. We have also conducted a study on the stability of the crown pillar and fenced an existing and a potential subsidence area. We are in the process of demonstrating to the Quebec Government that the site is now stable, with the objective of returning this site to the province.



Joutel

The former Eagle and Telbel mine and mill were closed in 1995. The remaining mine infrastructure (including all buildings) was demolished and removed between 1996 and 2000. All of the mine surface openings were sealed according to the requirements of the Quebec Mining Act. The area where the mine buildings and other infrastructure had been located was cleared, covered with a layer of soil and successfully revegetated in 2004.
In response to questions from the Quebec Ministry of Natural Resources about the chemical reactivity of the remaining mill tailings, AEM conducted a number of studies including static and column tests and geochemical modelling. The latest study was followed by a two-year-long sampling campaign to measure the quality of the water (pore water) that remains within the tailings solids in the tailings impoundment with the objective of verifying the laboratory study modelling results. In the meantime, successful revegetation tests were carried out on the tailings. Some drainage control work was completed including the construction of a permanent spillway to reduce the risk of dyke erosion. Using the water quality data accumulated over the 15-year post-closure monitoring period, the results of tests and modelling and the successful revegetation tests, AEM will submit an updated closure plan to the Quebec Ministry of Natural Resources in 2010 outlining the remaining reclamation work to be completed. We will complete this work once the Ministry has approved the updated plan.



Filter press in the mill at the Pinos Altos mine

Performance Data

For 2009 reporting, we used a combination of the TSM performance indicators, the GRI G3 guidelines and our own AEM Specific Indicators. We have not reported against all possible indicators, but have excluded those that are not directly applicable to our operations or where internal reporting systems are not yet in place. It is our intent to work towards inclusion of all relevant indicators in future reporting. We believe that the indicators that we have reported against reflect the Company's most significant social, socio-economic and environmental impacts.

TSM and GRI Indices

AEM organizational indicators		**page**
AEM1	Number of inspections carried out	60
AEM2	Number of internal audits carried out	60
AEM3	Number of persons that received HSE induction	60
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AEM5	Number of accident/incident analyses carried out	60

Process-based indicators		
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TM3	Assigned accountability and responsibility for tailings management	43 and 61
TM4	Annual tailings management review	43 and 61
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GHG3	Greenhouse gas emissions intensity performance targets	43, 45 and 61
EO1	Community of interest (COI) identification	34, 43 and 61
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Economic performance indicators		
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EN8	Total water withdrawal by source	46 and 66
EN9	Water sources significantly affected by withdrawal	67
EN10	Percentage and total volume of water recycled and re-used	67
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EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	47 and 68
MM2	The number of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	47 and 71
EN16	Total direct and indirect greenhouse gas emissions by weight	45 and 68
EN21	Total water discharge by quality and destination	46 and 69
EN22	Total weight of waste by type and disposal method	69
EN23	Number and volume of significant spills	70
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and IV, and percentage of transported waste shipped annually	70
MM3	Total amounts of overburden, rock, tailings and sludges presenting potential hazards significantly	48 and 71
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Society performance		
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SO5	Public policy decisions and participation in public policy development and lobbying	15
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	15
MM9	Number and percentage of operations with closure plans	47

Labour practices and decent work performance indicators		
LA1	Total workforce by employment type, employment contract and region	72
LA10	Average hours of training per year per employee category	72

Summary of key sustainability data

AEM specific indicators

AEM1 Number of work place inspections carried out	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Total	**27,658**	**41**	**76**	**42**	**207**	**28,024**

AEM1 Number of environmental inspections carried out	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Total	**51**	**93**	**3**	**54**	**53**	**254**

AEM2 Number of internal health and safety audits carried out	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Total	**78**	**7**	**1**	**1**	**0**	**87**

AEM3 Number of persons who received health, safety and environment induction training	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Total	**158**	**460**	**383**	**120**	**903**	**2,024**

AEM4 Number of formal safety meetings with employees	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Total	**185**	**239**	**193**	**18**	**20**	**655**

AEM5 Number of accidents/ incident analyses carried out involving the employees	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Total	**29**	**61**	**23**	**31**	**31**	**175**

Towards sustainable mining initiative – AEM self-assessment for 2009

TSM performance element	LaRonde	Goldex	Lapa	Kittila	Pinos Altos
TM2 tailings management system	Level 3	Level 2	N/A	Level 2	Level 5
TM3 assigned accountability and responsibility for tailings management	Level 3	Level 2	N/A	Level 3	Level 5
TM4 annual tailings management review	Level 2	Level 2	N/A	Level 2	Level 2
TM5 operating, maintenance and surveillance manual for tailings and water management facilities	Level 3	Level 4	N/A	Level 1	Level 3
EU1 energy use management	Level 2	Level 2	Level 2	Level 1	Level 2
EU2 energy use reporting system	Level 2	Level 2	Level 2	Level 2	Level 2
EU3 energy use intensity performance target	Level 1	Level 3	Level 1	Level 2	Level 1
GHG1 GHG management systems	Level 1	Level 1	Level 1	Level 1	Level 1
GHG2 GHG reporting systems	Level 3	Level 3	Level 3	Level 3	Level 1
GHG3 GHG emissions intensity performance targets	Level 1	Level 1	Level 1	Level 1	Level 1
EO1 community of interest identification	Level 2	Level 4	Level 2	Level 2	Level 3
EO2 effective community of interest engagement and dialogue	Level 2	Level 2	Level 2	Level 2	Level 2
EO3 community of interest response mechanism	Level 2	Level 3	Level 2	Level 2	Level 3
EO4 reporting	Level 2	Level 2	Level 2	Level 2	Level 2
Crisis management planning	Level 1	Level 1	Level 1	Level 1	Level 1

The Lapa mine does not operate a tailings facility. All ore from Lapa is milled at LaRonde with tailings co-disposed with the LaRonde mine.

Global Reporting Indicators (G3) relevant to AEM's business – results-based indicators

Economic indicators

EC1

Metal production	2009
Gold (ounces)	492,972
Silver (millions of ounces)	4,035
Zinc (tonnes)	56,186
Copper (tonnes)	6,671
Total cash cost per ounce of gold	$347

EC1

Financial highlights	2009
Sales	
Gross sales (millions of US$) – revenues from mining operations	$613.8
Net income	
Net income (millions of US$)	$86.5
Net income per share (US$/share)	$0.55
Cash flow	
Cash flow provided by operating activities (millions US$)	$115.1
Cash flow provided by operating activities per share (US$/share)	$0.73
Capital expenditures (000s of $US)	$657.2
Proven and probable gold reserves (million ounces of gold)	18.398

EC1

Mine	2009 gold production (ounces)	2009 total cash costs per ounce of gold
LaRonde	203,494	$103
Goldex	148,849	$366
Lapa	52,602	$751
Kittila	71,838	$668
Pinos Altos	16,189	$596

EC1

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments (in 000s of $US):

	2009
Revenue	$613,762
Operating costs	$306,318
Employee compensation	$313,893
Donations and other community investments	$1,113
Retained earnings	$216,158
Payments to capital providers	$8,448
Payments to governments	$26,514

EC4

Significant financial assistance received from government (in 000s of $US):

Location	2009
LaRonde	$0
Goldex	$0
Lapa	$0
Kittila	$0
Pinos Altos	$0
Meadowbank[1]	$3.6
Closed properties	$0
Exploration	$0

[1] Meadowbank receives a fuel tax rebate from the Government of Nunavut under a Development Partnership Agreement. This rebate program is available to all companies investing in mining activity creating employment in Nunavut. It represents a rebate on tax paid on fuel purchased. No other division received any significant financial assistance from the government.

EC6

Policy, practices and proportion of spending on locally based suppliers:

Location	2009
LaRonde	63%
Goldex	63%
Lapa	63%
Kittila	15%
Pinos Altos	69%
Meadowbank	36%

EC7

Proportion of AEM workforce hired from local[1] community (%):

Location	2009
LaRonde	100%
Goldex	100%
Lapa	100%
Kittila	56%
Pinos Altos	66%
Meadowbank	36%

[1] Local community is defined by AEM as the regional economic region surrounding each of its operating mines. At Goldex, LaRonde and Lapa the local community is defined as the Abitibi region, at Kittila the local community is defined as Lapland, at Pinos Altos the local community is defined as El Campo Municipality, at Meadowbank the local community is defined as the Kivalliq Region of Nunavut.

EC9

Direct economic value generated and distributed (in millions of US$):

	2009
Revenue	$613,762
Operating costs	$306,318
Employee compensation	$313,893
Donations and other community investments	$1,113
Retained earnings	$216,158
Payments to capital providers	$8,448
Payments to governments	$26,514

Environmental performance

EN3

Direct energy consumption by primary energy source

Energy use by source in 2009	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	**Total**
Natural gas (in GJ)	238,332	34,837	34,066	0	0	**307,235**
Diesel (in kilolitres)	4,438	1,319	1,129	3,774	2,685	**13,345**
Propane (in kilolitres)	0	0	0	0	1	**1**
Gasoline (in kilolitres)	0	0	5.2	0	0.4	**5.6**

EN4

Indirect energy consumption by primary source:

Energy use by source in 2009	LaRonde	Goldex	Lapa	Kittila	Pinos Altos	**Total**
Electricity (million KW)	327	114	29	105	12	**587**
2.1a Intermediate energy purchased for the year (GJ)	1,176,907	410,550	103,512	376,720	42,062	**2,109,751**
2.1b Intermediate energy consumed for the year (GJ)	1,176,907	410,550	103,512	376,720	42,062	**2,109,751**
Steam (heavy fuel oil for underground mine ventilation)	Nil	Nil	Nil	Nil	Nil	**Nil**
2.1A Intermediate energy purchased for the year (GJ)	0	0	0	8,172	16,327	**24,499**
2.1b Intermediate energy consumed for the year (GJ)	0	0	0	2,560	16,327	**18,887**

EN8

Total water withdrawn by source:

	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
2.1 Total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities (includes abstraction of cooling water) m^3	1,097,085	1,092,184	373,095	57,614	1,096,668	**3,716,646**
2.2 Total volume of water withdrawn in cubic meters per year (m^3) by the following sources: Surface water, including water from wetlands, rivers, lakes and oceans (m^3)	1,097,085	1,092,184	218,795	0	1,089,108	**3,497,171**
	Lake	Lake	River		River	
Ground water (well) (m^3)	0	7,300	7,300	57,614	7,560	**79,774**
Rainwater collected directly and stored by the reporting organization (m^3)	0	222,021	147,000	0	0	**369,021**
Waste water from another organization (m^3)	0	0	0	0	0	**0**
Municipal water supplies or other water utilities (m^3)	0	0	0	0	0	**0**

EN9

Water sources significantly affected by withdrawal:

	LaRonde	Goldex	Lapa	Pinos Altos	Kittila
Water body characterization					
Name of water source	Chassignol-Preissac Lake	Thompson River	Héva River	None	Seurujoki River
Size of water body in cubic meters – lake	150,000,000	17.2			
Average flow in cubic meters per second for rivers			0.509	N/A	3.69
Is the source designated as a protected area (nationally and/or internationally)?	No	No	No	N/A	No
Is the water source recognized by professionals to be particularly sensitive (due to size; function; status as a rare, threatened or endangered species habitat)?	No	No	No	N/A	No
Number of protected species in the water body	0	0	0	N/A	0
Is the waterbody a Ramsar-listed wetland or any other nationally and/or internationally proclaimed conservation area?	No	No	No	N/A	No
Withdrawal data Does the withdrawal account for an average of 5% or more of the annual average volume of the water body?	No	No	No	N/A	No
Assessment of effect					
Based on the above is the water source significantly affected by the withdrawal	No	No	No	N/A	No

EN10

Percent and total volume of water recycled and reused	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
2.3 – Total volume of water recycled/reused by the organization in cubic meters per year (m^3)	3,878,785	1,413,536	144,000	51,738	1,069,348	**6,557,407**
Total volume of water recycled/ reused by the organization as a percentage of the total water withdrawal reported under indicator EN8 (%)	353[1]	107[2]	39	90	97	

[1] Most of the water feeding the mill is recirculated; the freshwater intake in EN8 represents only a small portion of the water usage.

[2] Most of the water feeding the mill comes from recirculation from auxiliary tailings pond.

EN11

	LaRonde	Goldex	Lapa	Pinos Altos	Kittila
Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	None	None	None	None

EN12

	LaRonde	Goldex	Lapa	Pinos Altos	Kittila
Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	None known to AEM	None known to AEM	None known to AEM	None known to AEM	None known to AEM

EN16

Total direct and indirect greenhouse gas emissions by weight (numbers were reported to the Carbon Disclosure Project):

	LaRonde	Goldex	Lapa	Pinos Altos[1]	Kittila	**Total**
Tonnes of CO_2 equivalent	30,857	7,046	4,047	16,224	45,878	**104,052**

[1] Pinos Altos GHG emissions have been reported for all of 2009; however, production only commenced in the last quarter of 2009 hence these are a mix of construction and operation GHG emissions.

EN16

GHG emissions by source in 2009 (tonnes of CO_2 equivalent):

	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Total direct CO_2e emissions	27,882	6,243	5,167	39,498	9,809	**86,982**
Total indirect CO_2e GHG emissions	2,975	1,038	262	6,380	6,415	**17,070**
Total direct and indirect emissions	**30,857**	**7,046**	**4,047**	**45,878**	**16,224**	**104,052**
GHG intensity						
CO_2 equivalent per tonne of ore processed (tonnes of CO_2 equivalent/tonne milled)	0.0121	0.0027	0.0135	0.0505	0.0288	**0.0166**
CO_2 equivalent per oz of Au produced (tonnes of CO_2 equivalent/ounce of payable Au produced)	0.1516	0.0473	0.0769	0.7085	0.2258	**0.2111**
Tonnes milled	2,546,000	2,615,000	299,000	227,000	563,000	**6,250,000**
Payable gold production (ozs)	203,494	148,849	52,602	16,189	71,838	**492,972**

EN21

Total water discharge by quality and destination	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Final effluent (m^3)	2,480,295	1,148,549	132,226	0.00	1,925,836	**5,686,906**
Domestic water if discharged into a municipal treatment system (m^3)	0	0	0	0.00	0	**0**
Domestic water if discharged into the environment (m^3)	29,292	7,300	7,300	6,876	7,497	**58,265**

EN22

Total weight of waste by type and disposal method	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Waste sent to recycling						
Paper and cardboard (tonne)	54.89		22.80	0.00	2.85	**80.54**
Plastic (tonne)	17.77		0	0.00	1.67	**19.44**
Metal (tonne)	506.48	275.41	89.47	15.48	353.62	**1,240.46**
Wood (tonne)	369.50	152.07	0	0.00	218.10	**739.67**
Used oil sent to license user disposal facility (m^3)	207.00	36.27	0	44.53	53.403	**341.20**
Waste stored or disposed of on site						
Contaminated soil stored on site (tonne)				0.00	0	**0**
Contaminated soil sent for permitted onsite treatment (tonne)				0.00	0	**0**
Domestic waste sent to permitted mine landfil (tonne)				18.60	0	**18.60**
Domestic waste sent to permitted mine incinerator (tonne)				0.00	0	**0**
Hazardous waste stored on site (tonne)				0.00	0	**0**
Waste disposed of off site						
Domestic waste sent to municipal facility (tonne)	425.61	172.84	192.66	0.00	591.79	**1,382.90**
Contaminated soil sent to licensed disposal facility (tonne)	0	56.12	175.00	2.60	18.12	**251.84**
Hazardous waste sent to licensed disposal facility	206.61	23.05	0	13.33	62,590.00	**62,832.99**

EN23

Number and volume of significant spills	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
All spills						
Number of spills inside the facility boundary	13	None	5	None	22	**40**
Total volume of spills inside the facility boundary (M^3)	160.6	0	0.2	0	0.99	**161.79**
Average volume of spills inside the facility boundary (M^3)	12.4	0	0.04	0	0.045	**4.04**
Number of spills outside the facility boundary	0	0	0	0	0	**0**
Spills >100 litres						
Number of spills inside the facility boundary	5	None	1	None	1	**7**
Total volume of spills inside the facility boundary (M^3)	3.1	0	0.1	0	0.25	**3.45**
Average volume of spills inside the facility boundary (M^3)	0.62	0	0.1	0	0.25	**0.49**
Number of spills outside the facility boundary	0	0	0	0	0	**0**
Spills>1,000 litres						
Number of spills inside the facility boundary	2	None	None	None	None	**2**
Total volume of spills inside the facility boundary (M^3)	154	0	0	0	0	**154**
Average volume of spills inside the facility boundary (M^3)	77	0	0	0	0	**77**
Number of spills outside the facility boundary	0	0	0	0	0	**0**

EN24

	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and IV, and percentage of transported waste shipped annually	None	None	None	None	None	**None**

MM2

	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria and the number (percentage) of those sites with plans in place	None known to AEM	None known to AEM	None known to AEM	None known to AEM	None known to AEM	**None known to AEM**

MM2

Total waste produced in 2009 by type (tonnes)	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Overburden	0	0	0	10,000,000	507,300	**10,507,300**
Waste rock (Total)	36,250	173,736	414,745	18,900,000	9,187,790	**28,712,521**
Returned UG as backfill	0	0	0	0	77,790	**77,790**
Used in tailings dam construction	18,125	25,000	0	N/A	1,200,000	**1,243,125**
Used in other construction	0	27,829	0	N/A	0	**27,829**
Placed on surface waste rock piles	18,125	120,907	414,745	N/A	7,910,000	**8,463,777**
Mill tailings (Total)	1,961,967	2,573,645	0	198,181	3,679,200	**8,412,993**
Returned UG as backfill	466,166	0	0	0	0	**466,166**
Placed in surface tailings containment	1,495,801	2,573,645[1]	0	198,181	3,679,200	**7,946,827**

[1] At Goldex, the majority of the mill tailings are directed to the Manitou site for use in capping and to neutralize and rehabilitate the pre-existing acid-generating tailings. Only a small amount of tailings have been placed in the Goldex Tailings Containment Area (TIA) since the start of operations in 2008 (only 5,882 tonnes were placed in the Goldex TIA in 2009, the rest went to Manitou).

Lapa ore is milled at LaRonde with tailings co-disposed with LaRonde mill tailings.

Pinos Altos Mill did not come into production until the last quarter of 2009.

Meadowbank did not come into production until 2010.

Employment

LA1

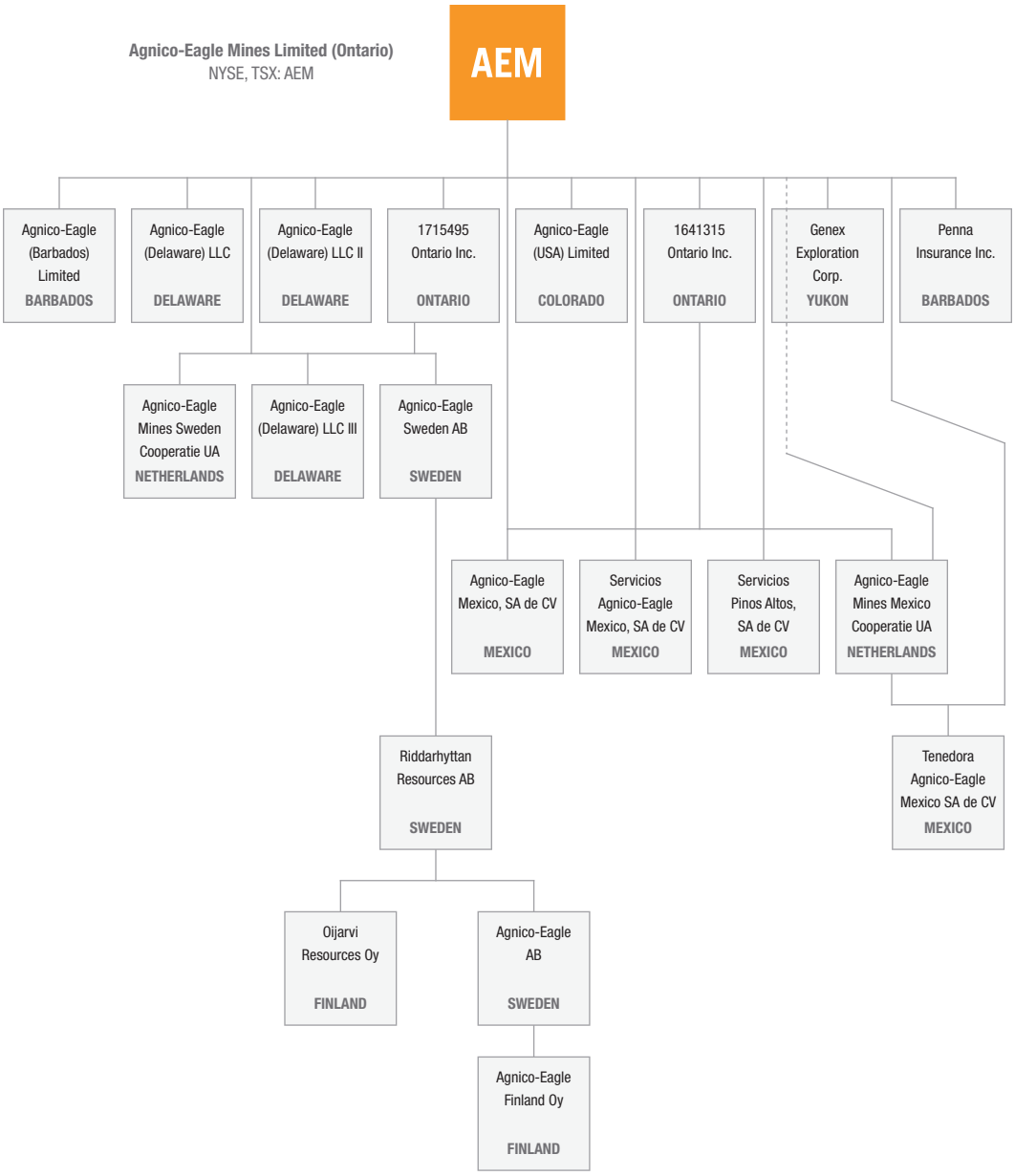
Total workforce by employment type, contract and region	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Total number of employees	2,777	337	700	353	878	**5,045**
Total number of contractors	1,099	104	699	75	659	**2,636**
Number of employees coming from within 200 km of the mine	3,876	337	697	225	>400	**5,535**
Total number of permanent employees	2,770	233	510	387	864	**4,764**
Total number of temporary employees	7	2	5	3	14	**31**
Total number of female employees	121	5	27	15	37	**205**
Number of hourly employees	1,971	161	341	361	560	**3,394**
Number of staff	806	70	174	52	318	**1,420**
Number of students	0	2	32	3	14	**51**

LA10

Average hours of training per year per employee category	LaRonde	Goldex	Lapa	Pinos Altos	Kittila	**Total**
Number of hours of training for hourly employees	4,528	6,864	N/A	N/A	N/A	**11,392**
Number of hours of training for staff employees	N/A	2,376	N/A	N/A	N/A	**2,376**

Appendix

Corporate structure



Health & Safety Policy

Agnico-Eagle Mines Limited is committed to safe production. The health and safety of people is a core value and our primary focus in producing the most possible ounces, at the lowest possible cost, to achieve the best possible benefits for all stakeholders.

To achieve these goals, Agnico-Eagle Mines Limited is committed to:

- Promoting the concept that all loss due to accidents/incidents is preventable.
- Encouraging and expecting safety leadership from all employees at all levels.
- Encouraging a safety leadership that demonstrates a personal commitment and accountability to our safety principle.
- Establishing a workplace environment that is supportive of all employees accepting responsibility.
- Acting responsibly in the process of managing workplace risks.
- Achieving safety production by applying proactively sound engineering principles and practical policies/procedures.
- Providing adequate training for all employees, at all levels of exploration, development, construction and operations.
- The establishment and implementation of proper health and safety systems and processes to manage and control workplace risks.
- Designing and operating our facilities to ensure that effective controls are in place to mitigate health and safety risks.
- Providing professional safety staff to plan and direct safety/risk management compliance programs and assist in training and educational activities.
- Complying with all applicable safety laws and regulations.
- Regularly auditing our safety/risk management performance and implementing any required corrective actions.
- Minimizing the generation of hazardous conditions and ensuring controls are in place.

We believe that the responsibility for the health and safety of our people is one that is shared with and between each employee, our suppliers and the contractors that are on our sites. We believe that each person has a contribution to make to the health and safety of everyone in the workplace and that such a contribution is expected by all.

Environmental Policy

It is the policy of Agnico-Eagle Mines Limited to protect the environment, public health and safety, and natural resources by conducting operations in an environmentally sound manner while pursuing continuous improvement of our environmental performance.

Agnico-Eagle also subscribes to the principle of sustainable development in mining. While mining cannot occur without an impact on the surrounding natural environmental and communities, we make it our responsibility to limit negative environmental and social impacts and to enhance positive impacts.

To achieve these goals we are committed to:

- Assessing the potential environmental impacts of any new undertaking with an objective to minimize them.
- Designing and operating our facilities to ensure that effective controls are in place to minimize risks to health, safety and the environment.
- Implementing an emergency response plan to minimize the impacts of unforeseen events.
- Providing a professional environmental staff to plan and direct environmental compliance programs and to assist in training and education activities.
- Providing training and resources to develop environmentally responsible employees.
- Ensuring that environmental factors are included in the purchase of equipment and materials.
- Ensuring that contractors operate according to our Environmental Policy and procedures.
- Complying with all applicable environmental laws and regulations.
- Communicating with employees, the public, government agencies and other stakeholders on activities involving health, safety and the environment.
- Regularly verifying environmental performance and implementing any required corrective action.
- Minimizing the generation of hazardous and non-hazardous waste and ensuring proper disposal of all wastes.
- Implementing measures to conserve natural resources such as energy and water.
- Rehabilitating sites in accordance with regulatory criteria and within the established timeframe.

Glossary

Biodiversity: Short for “biological diversity,” the variety of living organisms, genetic diversity and habitat diversity that creates and sustains variation in the environment.

Contractor: One who agrees to perform work or supply items at a certain price or rate.

Environmental incidents: Environmental incidents are classified on a scale from 1 to 5 representing the extent of environmental impact:

> Category 1, Negligible: An incident that has caused negligible, reversible environmental impact and requires very minor or no remediation.

> Category 2, Minor: An incident that has caused minor, reversible environmental impact and requires minor remediation.

> Category 3, Significant: An incident that has caused moderate, reversible environmental impact, with short-term effect and requires moderate remediation.

> Category 4, Serious: An incident that has caused serious environmental impact, with medium-term effect and requires significant remediation.

> Category 5, Disastrous: An incident that has caused disastrous environmental impact, with long-term effect and requires major remediation.

Employee: A person directly employed by AEM and/or its subsidiaries.

Frequency: The number of injuries (recordable or lost-time) multiplied by 200,000, divided by total hours worked.

Global Reporting Initiative (GRI): An independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines. For more information, visit www.globalreporting.org.

GRI indicators: Sustainability performance indicators contained in the guidelines of the Global Reporting Initiative.

ISO 14001: The International Organization for Standardization’s standard for environmental management systems.

Lost-time accident: A work-related injury that causes the injured person to be unable to return to work on his/her next scheduled workday after the day of the injury, because he/she is unfit to perform regular duties.

Material information: A fact or a change to the Company that could reasonably be expected to have a significant effect on the market price or value of the securities of the Company.



Underground at the Pinos Altos mine



AEM

Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Canada M5C 2Y7
Tel. 416.947.1212 Fax. 416.367.4681

agnico-eagle.com