



What the Canadian Malartic Mine Means to Agnico Eagle Mines Ltd. and its Investors

Description

Agnico Eagle Mines Ltd. ([TSX: AEM](#))([NYSE: AEM](#)) and **Yamana Gold Inc.** ([TSX: YRI](#))([NYSE: AUJ](#)) have formed the Canadian Malartic Partnership after each company acquired a 50% interest in the mine as part of the joint acquisition of **Osisko Mining Corp.**

Here's what is significant about the Canadian Malartic mine for Agnico Eagle Mines and its investors.

Size: The former Canadian Malartic underground mine produced over 1 million ounces of gold from 1935 to 1965. Between 1935 and 1983, production in the Malartic camp totaled more than 5 million ounces of gold for the Canadian Malartic, Barnat, Sladen and East Malartic mines.

The current Canadian Malartic Mine is the largest gold mine in Canada. The anticipation is that this mine will produce over 600,000 ounces of gold per year for the next 14 years. The current mine is in the core of the productive Abitibi Gold Belt, in Quebec. The Canadian Malartic property includes the former Canadian Malartic underground mine.

Recent performance and future potential: The Canadian Malartic mine began commercial production in May 2011. The mine set a new quarterly production record of 140,029 ounces of gold in Q1 2014. Production in Q1 2014 averaged 50,444 tonnes per operating day versus 54,043 tonnes per operating day in Q4 2013 and 48,667 tonnes per operating day in Q1 2013.

The mine has set new records again, attaining record monthly gold production in May 2014. It had record monthly gold production of 51,114 ounces, record monthly mill throughput of 1,709,572 tonnes, and record average daily throughput of 55,147 tonnes per calendar day. It also had average grade milled of 1.00 g/t Au and average recovery of 88.7%.

Agnico Eagle President/CEO Sean Boyd said, "With the acquisition of Osisko now completed, Agnico Eagle looks forward to working with Yamana to further optimize the Canadian Malartic mine and build on the solid operational performance achieved in May 2014."

The Canadian Malartic Partnership is planning extension work as an element of Canadian Malartic

mine operations. This is the Barnat Extension. The partners are working on the environmental and permitting side to continue to advance the Barnat expansion.

Agnico Eagle's overall production: Including Canadian Malartic, the expectation is that 2014 production will come in at 1,350,000 to 1,370,000 ounces. Total cash costs on a by-product basis are expected to remain in the range of \$650 to \$675 per ounce.

Canadian Malartic Partnership

In addition, the Canadian Malartic Partnership is now the largest holder of mineral rights in the Kirkland Lake, Ontario district. Approximately 30 properties encompass an area of around 240 square kilometres.

These properties host 10 gold deposits and they contain current as well as historic mineral resources. The Kirkland Lake camp ranks No. 2 in Canada, after Timmins, Ontario, regarding total ounces of gold produced. Agnico Eagle will jointly explore and potentially develop the Kirkland Lake assets.

For income investors, it's worth taking a look at Agnico Eagle Mines as it works together with Yamana Gold to advance the Canadian Malartic Mine and other projects.

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