



TFSA Investors: 1 Gold Value Stock Trading at a Big Discount

Description

Agnico Eagle Mines Limited ([TSX:AEM](#))([NYSE:AEM](#)) is a senior Canadian [gold mining company](#) that has produced precious metals since 1957. The company's operating mines are located in Canada, Finland, and Mexico, with exploration and development activities in each of these countries as well as in the United States, Sweden, and Colombia. The company's strategy is to deliver high-quality growth while maintaining high-performance standards in health, safety, environmental matters, and social acceptability.

It primarily produces and sells gold deposits, as well as explores silver, zinc, and copper deposits. The company's flagship property is the LaRonde mine located in the Abitibi region of northwestern Quebec, Canada. The LaRonde mine had a mineral reserve of approximately 3.8 million ounces of gold. The company is also involved in exploration activities in Europe and Latin America.

Low-cost producer of gold

In 2020, the company produced 1.7 [million ounces of gold](#), including 36,000 ounces of pre-commercial production of gold. The company's production costs per ounce of gold are \$838, total cash costs per ounce of gold are \$775 and all-in sustaining costs per ounce are \$1,051.

By 2021, the company expects to produce approximately 2.05 million ounces of gold at total cash costs per ounce of gold between \$700 and \$750 and at all-in sustaining costs per ounce of between \$950 and \$1,000. The company has traditionally sold all of Agnico Eagle's production at the spot price of gold due to a general policy not to sell forward the company's future gold production.

Diverse mining assets

Agnico Eagle operates through three business units, namely Northern business, Southern business, and Exploration. The company's Northern business division is comprised of the company's operations in Canada and Finland. The company's Canadian properties include a directly held, 100% interest in the LaRonde mine, the Goldex mine, the Meadowbank complex, and the Meliadine mine. It also

includes an indirectly held 100% interest in the Hope Bay mine and a 50% interest in the Canadian Malartic Mine.

Operations in Finland

The company's operations in Finland are conducted through the company's indirect subsidiary, Agnico Eagle Finland Oy, which owns the Kittila mine. In 2020, the Northern business accounted for approximately 86% of the company's gold production. The company's Southern business is composed of the company's operations in Mexico.

Identifying new mineral reserves

In 2020, the Southern business accounted for approximately 14% of the company's gold production. The company's exploration group focuses primarily on the identification of new mineral reserves and mineral resources and new development opportunities in politically stable and proven gold-producing regions.

Politically stable jurisdictions

Current exploration activities are concentrated in Canada, Europe, Latin America, and the United States. Several projects were evaluated during 2020 in these regions where the potential for gold occurrences is excellent and which the company believes to be politically stable and supportive of the mining industry.

Strong pipeline of projects

The company currently manages 78 properties in Canada, five properties in the United States, three groups of properties in Finland, two properties in Sweden, and 20 properties in Mexico. Overall, the company has built a strong pipeline of projects to drive future production. This should serve shareholders well.

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