



Agnico Eagle Mines (TSX:AEM): Should You Buy It Now?

Description

Agnico Eagle Mines ([TSX:AEM](#))([NYSE:AEM](#)) has earned a reputation as a [partner of choice](#) within the mining industry, and recognition as a company that operates with respect for others. While the company could not control the day-to-day turmoil of COVID-19, which included the temporary shutdowns, the evolving health and safety protocols, the stay-at-home work orders, the company did control priorities and focused on the health and wellbeing of the company's employees, and communities.

The company reached out to governments, infectious disease specialists, and community leaders to help it navigate through the global pandemic while sharing Agnico Eagle's [own expertise](#) and resources to keep the company's operating communities, employees, and workplaces safe. The company appears to be working hard to maintain the trust of the company's stakeholders.

Robust business strategy

In addition, Agnico Eagle has the right business strategy, the right culture, and the right mindset to adapt to changing circumstances and to remain resilient in the face of what is unknowable. The company has gained some profound insights from the global COVID-19 pandemic as it continued to work to maximize Agnico Eagle's full potential.

During the pandemic, Agnico Eagle's health, safety, and operations teams implemented strict screening and enhanced hygiene protocols, as well as physical distancing, awareness campaigns, and teleworking where possible, while collaborating with all levels of government and partners on public health and safety measures.

Testing for COVID-19 proved key to protecting the company's workforce and reduced the risk of the pandemic at Agnico Eagle's remote sites and in the communities where it operates.

Record annual earnings

Despite a rocky beginning, 2020 was a record year for Agnico Eagle. With the excellent support of employees, Agnico Eagle delivered 1.7 million ounces of gold in 2020, and for the first time in the company's history, it produced over 500,000 ounces in a quarter.

This performance, along with rising gold prices, allowed it to generate record annual earnings and cash flow, deliver the highest share price on record for Agnico Eagle shareholders, and increase the company's quarterly dividend by a significant 75%.

Additionally, with recent exploration success in several of the company's long-life mining camps, Agnico Eagle appears on track to produce over 2 million ounces of gold per year for the next 10 years.

Throughout fiscal 2020, Agnico Eagle employees appear to have prioritized safety first. In particular, Agnico Eagle's Canadian mine posted the company's best performance in health and safety since the opening of the mine in 2011.

Maximizing Agnico Eagle's full potential

Furthermore, Agnico Eagle's exploration program continued to drive growth in 2020 and add to the company's value proposition. The company's mineral reserves increased by 12% to a record 24.1 million ounces of gold and Agnico Eagle's inferred mineral resources rose by 9% to 23.4 million ounces.

Near-term growth opportunities include the Amaruq underground project at the Meadowbank complex and Agnico Eagle's 50% owned Odyssey project at Canadian Malartic.

Gold production from Amaruq underground is expected to begin in early 2022, while initial production from the Odyssey project, which has an expected 17-year mine life, is anticipated to begin in 2023, positioning the company well for the future.

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Date

2025/06/28

Date Created

2021/07/22

Author

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