

AGNICO EAGLE MINES LTD
Form 20-F
March 28, 2013

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 20-F

- o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
- ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012
OR
- o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
- o **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Date of event requiring this shell company report
For the transition period from _____ to _____

Commission file number: 1-13422

AGNICO-EAGLE MINES LIMITED

(Exact name of Registrant as Specified in its Charter)

Not Applicable

(Translation of Registrant's Name into English)

Ontario, Canada

(Jurisdiction of Incorporation or Organization)

**145 King Street East, Suite 400
Toronto, Ontario, Canada M5C 2Y7**
(Address of Principal Executive Offices)

**R. Gregory Laing
145 King Street East, Suite 400
Toronto, Ontario, Canada M5C 2Y7**

Telephone: 416-947-1212 Fax: 416-367-4681

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Common Shares, without par value

(Title of Class)

**The Toronto Stock Exchange and
the New York Stock Exchange**

(Name of exchange on which registered)

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

172,006,593 Common Shares as of December 31, 2012

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

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U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes No

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*

Omitted pursuant to General Instruction E(b) of Form 20-F.

**

The registrant provides the financial statements and related information specified in Item 18.

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PRELIMINARY NOTE

Currencies: Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company") presents its consolidated financial statements in United States dollars. All dollar amounts in this Annual Report on Form 20-F ("Form 20-F") are stated in United States dollars ("U.S. dollars", "\$" or "US\$"), except where otherwise indicated. Certain information in this Form 20-F is presented in Canadian dollars ("C\$") or European Union euros ("Euro" or "€"). See "Item 3 Key Information - Currency Exchange Rates" for a history of exchange rates of Canadian dollars into U.S. dollars.

Generally Accepted Accounting Principles: Agnico-Eagle reports its financial results using United States generally accepted accounting principles ("US GAAP") due to its substantial U.S. shareholder base and to maintain comparability with other gold mining companies. Unless otherwise specified, all references to financial results herein are to those calculated under US GAAP.

Forward-Looking Information: Certain statements in this Form 20-F, referred to herein as "forward-looking statements", 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. These statements relate to, among other things, the Company's plans, objectives, expectations, estimates, beliefs, strategies and intentions and can generally be identified by the use of words such as "anticipate", "believe", "budget", "could", "estimate", "expect", "forecast", "intend", "likely", "may", "plan", "project", "schedule", "should", "target", "will", "would" or other variations of these terms or similar words. Forward-looking statements in this report include, but are not limited to, the following:

the Company's outlook for 2013 and future periods;

statements regarding future earnings, and the sensitivity of earnings to gold and other metal prices;

anticipated levels or trends for prices of gold and byproduct metals mined by the Company or for exchange rates between currencies in which capital is raised, revenue is generated or expenses are incurred by the Company;

estimates of future mineral production and sales;

estimates of future costs, including mining costs, total cash costs per ounce, all-in sustaining costs, minesite costs per tonne and other expenses;

estimates of future capital expenditure, exploration expenditure and other cash needs, and expectations as to the funding thereof;

statements regarding the projected exploration, development and exploitation of certain ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such exploration, development and production or decisions with respect thereto;

estimates of mineral reserves, mineral resources and ore grades and statements regarding anticipated future exploration results;

estimates of cash flow;

estimates of mine life;

anticipated timing of events with respect to the Company's minesites, mine construction projects and exploration projects;

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estimates of future costs and other liabilities for environmental remediation;

statements regarding anticipated legislation and regulation regarding climate change and estimates of the impact on the Company; and

other anticipated trends with respect to the Company's capital resources and results of operations.

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 upon which the forward-looking statements in this Form 20-F are based, and which may prove to be incorrect, include, but are not limited to, the assumptions set out elsewhere in this Form 20-F as well as: that there are no significant disruptions affecting Agnico-Eagle's operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural or man-made occurrences, mining or milling issues, political changes, title issues or otherwise; that permitting, development and

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expansion at each of Agnico-Eagle's mines and mine development projects proceed on a basis consistent with current expectations, and that Agnico-Eagle does not change its exploration or development plans relating to such projects; that the exchange rates between the Canadian dollar, Euro, Mexican peso and the U.S. dollar will be approximately consistent with current levels or as set out in this Form 20-F; 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 production meets expectations; that Agnico-Eagle's current estimates of mineral reserves, mineral resources, mineral grades and mineral recovery are accurate; that there are no material delays in the timing for completion of development projects; and that there are no material variations in the current tax and regulatory environment that affect Agnico-Eagle.

The forward-looking statements in this Form 20-F reflect the Company's views as at the date of this Form 20-F and involve known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the Risk Factors set out in "Item 3 Key Information Risk Factors". Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based. This Form 20-F contains information regarding anticipated total cash costs per ounce, all-in sustaining costs and minesite costs per tonne at certain of the Company's mines and mine development projects. The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. Investors are cautioned that this information may not be suitable for other purposes.

Meaning of "including" and "such as": When used in this Form 20-F, the terms "including" and "such as" mean including and such as, without limitation.

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESOURCES

The mineral reserve and mineral resource estimates contained in this Form 20-F have been prepared in accordance with the Canadian securities regulatory authorities' (the "CSA") National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). These standards are similar to those used by the United States Securities and Exchange Commission's (the "SEC") Industry Guide No. 7, as interpreted by Staff at the SEC ("Guide 7"). However, the definitions in NI 43-101 differ in certain respects from those under Guide 7. Accordingly, mineral reserve information contained or incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies. Under the requirements of the SEC, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC does not recognize measures of "mineral resource".

The mineral reserve figures presented herein are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The Company does not include equivalent gold ounces for byproduct metals contained in mineral reserves in its calculation of contained ounces.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Mineral Resources

This document uses the terms "measured mineral resources" and "indicated mineral resources". Investors are advised that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into mineral reserves.**

Cautionary Note to Investors Concerning Estimates of Inferred Mineral Resources

This document uses the term "inferred mineral resources". Investors are advised that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. "Inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that any part or all of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **Investors are cautioned not to assume that any part or all of an inferred mineral resource exists, or is economically or legally mineable.**

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NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE

This Form 20-F presents certain measures, including "total cash costs per ounce" and "minesite costs per tonne", that are not recognized measures under US GAAP. This data may not be comparable to data presented by other gold producers. For a reconciliation of these measures to the figures presented in the consolidated financial statements prepared in accordance with US GAAP, see "Item 5 Operating and Financial Review and Prospects Results of Operations Production Costs". The Company believes that these generally accepted industry measures are realistic indicators of operating performance and are useful in allowing year over year comparisons. However, these non-US GAAP measures should be considered together with other data prepared in accordance with US GAAP, and these measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with US GAAP. This Form 20-F also contains information as to estimated future total cash costs per ounce, all-in sustaining costs and minesite costs per tonne. The estimates of total cash costs per ounce, all-in sustaining costs and minesite costs per tonne are based upon the total cash costs per ounce, all-in sustaining costs and minesite costs per tonne that the Company expects to incur to mine gold at its projects and, consistent with the reconciliation provided, do not include production costs attributable to accretion expense and other asset retirement costs, which will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-US GAAP financial measures to the most comparable US GAAP measure.

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PART I

ITEM 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Pursuant to the instructions to Item 1 of Form 20-F, this information has not been provided.

ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

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ITEM 3 KEY INFORMATION**Selected Financial Data**

The following selected financial data for each of the years in the five-year period ended December 31, 2012 are derived from the consolidated financial statements of Agnico-Eagle audited by Ernst & Young LLP. The selected financial data should be read in conjunction with the Company's operating and financial review and prospects set out in Item 5 of this Form 20-F, the consolidated financial statements and the notes thereto set out in Item 18 of this Form 20-F and other financial information included elsewhere in this Form 20-F.

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	<i>(in thousands of U.S. dollars, US GAAP basis, other than share and per share information)</i>				
Income Statement Data					
Revenues from mining operations	1,917,714	1,821,799	1,422,521	613,762	368,938
Production costs	897,712	876,078	677,472	306,318	186,862
Exploration and corporate development	109,500	75,721	54,958	36,279	34,704
Amortization	271,861	261,781	192,486	72,461	36,133
General and administrative	119,085	107,926	94,327	63,687	47,187
Write-down of available-for-sale securities	12,732	8,569			74,812
Loss (Gain) on derivative financial instruments	820	(3,683)	(7,612)		
Provincial capital tax	4,001	9,223	(6,075)	5,014	5,332
Interest	57,887	55,039	49,493	8,448	2,952
Interest and sundry income	(1,667)	5,188	(10,254)	(16,172)	(11,721)
Loss on Goldex mine		302,893			
Impairment loss on Meadowbank mine		907,681			
Gain on acquisition of Comaplex, net of transaction costs			(57,526)		
Gain on sale of available-for-sale-securities	(9,733)	(4,907)	(19,487)	(10,142)	(25,626)
Foreign exchange (gain) loss	16,320	(1,082)	19,536	39,831	(77,688)
Income before income and mining taxes	435,141	(778,628)	435,203	108,038	95,991

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Income and mining taxes (recoveries)	124,225	(209,673)	103,087	21,500	22,824
Net income	310,916	(568,955)	332,116	86,538	73,167
Attributed to non-controlling interest		(60)			
Attributed to common shareholders	310,916	(568,895)			
Net income per share basic	1.82	(3.36)	2.05	0.55	0.51
Net income per share diluted	1.81	(3.36)	2.00	0.55	0.50
Weighted average number of shares outstanding basic	171,250,179	170,275,475	162,342,686	155,942,151	144,740,658
Weighted average number of shares outstanding diluted	171,485,615	170,275,475	165,842,259	158,620,888	145,888,728
Dividends declared per common share	1.02		0.64	0.18	0.18

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Balance Sheet Data (at end of period)

Mining properties (net)	4,067,456	3,895,355	4,564,563	3,581,798	2,997,500
Total assets	5,225,842	5,034,262	5,500,351	4,247,357	3,378,824
Long-term debt	830,000	920,095	650,000	715,000	200,000
Reclamation provision and other liabilities	127,735	145,988	145,536	96,255	71,770
Net assets	3,410,212	3,215,163	3,665,450	2,751,761	2,517,756
Common shares	3,241,922	3,181,381	3,078,217	2,378,759	2,299,747
Shareholders' equity	3,410,212	3,215,163	3,665,450	2,751,761	2,517,756
Total common shares outstanding	172,296,610	170,859,604	168,720,355	156,625,174	154,808,918

Currency Exchange Rates

All dollar amounts in this Form 20-F are in U.S. dollars, except where otherwise indicated. The following tables set out, in Canadian dollars, the exchange rates for the U.S. dollar, based on the noon buying rate as reported by the Bank of Canada (the "Noon Buying Rate"). On March 11, 2013, the Noon Buying Rate was US\$1.00 equals C\$1.0268.

	Year Ended December 31,				
	2012	2011	2010	2009	2008
High	1.0418	1.0604	1.0778	1.3000	1.2969
Low	0.9710	0.9449	0.9946	1.0292	0.9719
End of Period	0.9949	1.0170	0.9946	1.0466	1.2246
Average	0.9996	0.9891	1.0299	1.1420	1.0660

2013		2012	
March (to March 11)	February		