ENBRIDGE ENERGY MANAGEMENT L L C
Form SC 13D/A
September 19, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4

to

SCHEDULE 13D

Under the Securities Exchange Act of 1934

ENBRIDGE ENERGY MANAGEMENT, L.L.C.

(Name of Issuer)

Limited Voting Shares Representing Limited Liability Company Interests

(Title of Class of Securities)

29250X 10 3

(CUSIP Number)

Tyler W. Robinson, Esq.

Enbridge Inc.

200, 425 1st Street S.W.

Calgary, Alberta T2P 3L8

Canada

(403) 231-3900

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

September 17, 2018

(Date of Event which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box:

* The remainder of this cover page shall be filled out for a reporting person s initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Schedule 13D/A

CUSIP No. 29250X 10 3

1. Names of Reporting Persons

I.R.S. Identification Nos. of above persons (entities only)

Enbridge Energy Company, Inc.

39-0793581

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Delaware

Number of Shares Beneficially Owned By Each Reporting Person	7.	Sole Voting Power None
	8.	Shared Voting Power 11,524,316
	9.	Sole Dispositive Power

With None

10. Shared Dispositive Power

11,524,316

11. Aggregate Amount Beneficially Owned by Each Reporting Person

11,524,316

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

11.7%

14. Type of Reporting Person (See Instructions)

CO

Enbridge Energy Company, Inc. (EECI) also holds 7.43 voting shares (the Voting Shares) of Enbridge Energy Management, L.L.C. (EEM), constituting 100% of such class of securities.

Schedule 13D/A

CUSIP No. 29250X 10 3

1. Names of Reporting Persons

I.R.S. Identification Nos. of above persons (entities only)

Enbridge (U.S.) Inc.

41-1824246

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

*

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Delaware

Number of Shares Beneficially Owned By Each Reporting Person	7.	Sole Voting Power None
	8.	Shared Voting Power *
	9.	Sole Dispositive Power

With None

10. Shared Dispositive Power

*

11. Aggregate Amount Beneficially Owned by Each Reporting Person

*

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

*

14. Type of Reporting Person (See Instructions)

CO

* EECI is wholly owned by Enbridge (U.S.) Inc. (EUSI). Therefore, EUSI may be deemed to be the beneficial owner of the 11,524,316 limited voting shares representing limited liability company interests of EEM (the Listed Shares) that are owned by EECI and the 7.43 Voting Shares that are owned by EECI. Thus, EUSI is filing this Amendment No. 4 to Schedule 13D jointly with EECI.

Schedule 13D/A

CUSIP No. 29250X 10 3

1. Names of Reporting Persons

I.R.S. Identification Nos. of above persons (entities only)

Enbridge US Holdings Inc.

Not applicable.

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

**

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Canada

Number of Shares Beneficially Owned By Each Reporting Person	7.	Sole Voting Power None
	8.	Shared Voting Power **
	9.	Sole Dispositive Power

With None

10. Shared Dispositive Power

**

11. Aggregate Amount Beneficially Owned by Each Reporting Person

**

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

**

14. Type of Reporting Person (See Instructions)

CO

** EECI is indirectly owned by Enbridge US Holdings Inc. (EUSHI). Therefore, EUSHI may be deemed to be the beneficial owner of the 11,524,316 Listed Shares of EEM that are owned by EECI and the 7.43 Voting Shares that are owned by EECI. Thus, EUSHI is filing this Amendment No. 4 to Schedule 13D jointly with EECI.

Schedule 13D/A

CUSIP No. 29250X 10 3

1. Names of Reporting Persons

   I.R.S. Identification Nos. of above persons (entities only)

   Enbridge Inc.

   98-0377957
2. Check the Appropriate Box if a Member of a Group (See Instructions)

   (a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

   ***
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

   Canada

Number of Shares Beneficially Owned By Each Reporting Person	7.	Sole Voting Power None
	8.	Shared Voting Power ***
	9.	Sole Dispositive Power

With None
10. Shared Dispositive Power

***

11. Aggregate Amount Beneficially Owned by Each Reporting Person

***

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

***

14. Type of Reporting Person (See Instructions)

CO

*** EECI is indirectly owned by Enbridge Inc. (Enbridge). Therefore, Enbridge may be deemed to be the beneficial owner of the 11,524,316 Listed Shares of EEM that are owned by EECI and the 7.43 Voting Shares that are owned by EECI. Thus, Enbridge is filing this Amendment No. 4 to Schedule 13D jointly with EECI.

This Amendment No. 4 to Schedule 13D updates the information relating to the current beneficial owners and amends Items 3, 4, 6 and 7 of the Schedule 13D filed by Enbridge Inc., IPL System Inc., Enbridge Pipelines Inc. and Enbridge Energy Company, Inc. with the Securities and Exchange Commission on October 17, 2002 (the Original Schedule 13D), as amended by Amendment No. 1 to the Original Schedule 13D filed by Enbridge Inc. (Enbridge), Enbridge US Holdings Inc. (EUSHI), Enbridge (U.S.) Inc. (EUSI), and Enbridge Energy Company, Inc. (EECI and, together with Enbridge, EUSHI and EUSI, the Reporting Persons) with the Securities and Exchange Commission on May 2, 2016, Amendment No. 2 to the Original Schedule 13D, filed by the Reporting Persons with the Securities and Exchange Commission on November 2, 2017and Amendment No. 3 to the Original Schedule 13D, filed by the Reporting Persons with the Securities and Exchange Commission on May 17, 2018.

Item 3. Source and Amount of Funds or Other Consideration

The information previously provided in response to Item 3 is hereby amended and supplemented by adding the following paragraph:

Pursuant to the Merger Agreement (as defined below), the funding for the Merger (as defined below) described in Item 4 of this Amendment (which Item 4 is incorporated herein by reference) will consist entirely of newly issued shares of Enbridge Common Stock (as defined below) as described in Item 4 and cash in lieu of any fractional shares of Enbridge Common Stock to which a holder is entitled pursuant to the Merger Agreement.

Item 4. Purpose of Transaction

Agreement and Plan of Merger

On September 17, 2018, EEM, Enbridge, Winter Acquisition Sub I, Inc., a Delaware corporation and wholly owned subsidiary of Enbridge (Merger Sub), and, solely for the purposes of Article I, Section 2.4 and Article X, EECI, entered into an Agreement and Plan of Merger (the Merger Agreement). Pursuant to the Merger Agreement, Merger Sub will be merged with and into EEM (the Merger), with EEM continuing as the sole surviving entity and a wholly owned subsidiary of Enbridge.

Subject to the terms and conditions set forth in the Merger Agreement, at the effective time of the Merger, each Listed Share of EEM (each, an EEM Listed Share) issued and outstanding immediately prior to the effective time of the Merger, other than certain excluded EEM Listed Shares owned by Enbridge and its subsidiaries, will be converted into, and become exchangeable for, 0.335 common shares of Enbridge (Enbridge Common Stock).

The special committee (the Special Committee) of the board of directors of EEM (in such capacity, the Board) has, acting in good faith, unanimously, (i) determined, based upon the facts and circumstances it deemed relevant, reasonable or appropriate to its decision, that the Merger Agreement, the transactions contemplated thereby, including the Merger, and the limited liability company agreement of EEM (the Company Agreement and, as amended, the Company Agreement Amendment) are fair and reasonable to EEM, including the holders of EEM Listed Shares (other than Enbridge and its affiliates) (the Public Shareholders), (ii) approved the Merger Agreement, the transactions contemplated thereby and the Company Agreement Amendment, on the terms and subject to the conditions set forth in the Merger Agreement, and (iii) recommended that the Board approve the Merger Agreement, the transactions contemplated thereby and the Company Agreement Amendment. Based upon such recommendation, the Board has, acting in good faith, unanimously (i) determined that the Merger Agreement, the transactions contemplated thereby, including the Merger, and the Company Agreement Amendment are fair and reasonable to EEM, including the Public Shareholders, (ii) approved the Merger Agreement, the transactions contemplated thereby and the Company Agreement Amendment, on the terms and subject to the conditions set forth in the Merger Agreement, and

(iii) resolved to recommend that holders of EEM Listed Shares approve the Merger Agreement, the transactions contemplated thereby and the Company Agreement Amendment, and waive Section 9.05(a)(v) of the limited liability company agreement of EEM (the Company Agreement), and directed that the Merger Agreement be submitted to the holders of EEM Listed Shares for their approval.

EEM has agreed, subject to certain exceptions with respect to unsolicited proposals, not to, directly or indirectly, solicit, enter into discussions concerning, provide non-public information in connection with or otherwise facilitate any effort or attempt to make any competing acquisition proposals. However, the Special Committee may, subject to certain conditions, change its recommendation in favor of approval of the Merger Agreement if, in connection with the receipt of a superior proposal or an event occurring after the date of the Merger Agreement that was not known by or reasonably foreseeable to the Special Committee at the time of the execution of the Merger Agreement, the Special Committee determines in good faith, after consultation with its outside counsel and its financial advisor, that the failure to take such action would be materially adverse to the interests of EEM or the Public Shareholders or would otherwise be reasonably likely to be inconsistent with its duties under applicable law or obligations under the Company Agreement.

The approval of the Merger Agreement requires the affirmative vote of a majority of the outstanding EEM Listed Shares held by the Public Shareholders (the Shareholder Approval). Pursuant to the Merger Agreement, Enbridge has agreed that, at the EEM shareholder meeting, it will vote, or cause to be voted, all EEM securities then owned beneficially or of record by it or any of its subsidiaries, in favor of (i) the approval of the Merger Agreement and (ii) for purposes of determining the manner in which the I-Units of EEP are voted, the approval of the Merger Agreement.

The completion of the Merger is subject to the concurrent consummation of the merger of Winter Acquisition Sub II, LLC with and into Enbridge Energy Partners, L.P. (EEP), with EEP continuing as the sole surviving entity. The completion of the Merger is also subject to the satisfaction or waiver of customary closing conditions, including: (i) receipt of the Shareholder Approval, (ii) the Enbridge Common Stock issuable in connection with the Merger having been approved for listing on the New York Stock Exchange and the Toronto Stock Exchange, subject to official notice of issuance, (iii) expiration or termination of any waiting period (and any extension thereof) applicable to the Merger under the Hart-Scott Rodino Antitrust Improvements Act of 1976, (iv) the absence of any governmental order prohibiting the consummation of the Merger or the other transactions contemplated thereby, and (v) Enbridge s registration statement on Form S-4 (the Registration Statement) having become effective under the Securities Act of 1933. The obligation of each party to the Merger Agreement to consummate the Merger is also conditioned upon the accuracy of the representations and warranties of the other parties as of the date of the Merger Agreement and as of the closing (subject to customary materiality qualifiers), the performance in all material respects by the other parties of all obligations required to be performed by them under the Merger Agreement at or prior to closing, and receipt of an officer s certificate evidencing the satisfaction of the foregoing.

Each of Enbridge, Merger Sub and EEM have made customary representations and warranties, and agreed to customary covenants, in the Merger Agreement. Subject to certain exceptions, Enbridge and EEM have each agreed, among other things, to covenants relating to the conduct of their respective businesses during the interim period between the execution of the Merger Agreement and the consummation of the Merger.

The Merger Agreement contains certain termination rights that may be exercised by either Enbridge or EEM, including in the event that (i) both parties agree by mutual written consent by action of the board of directors of Enbridge and the Board, with the approval of the Special Committee, to terminate the Merger Agreement, (ii) the Merger is not consummated by March 18, 2019, (iii) the Shareholder Approval is not obtained at the EEM shareholder meeting or any adjournment or postponement thereof taken in accordance with the Merger Agreement, (iv) any order permanently restraining, enjoining or otherwise prohibiting consummation of the Merger having become final and non-appealable or (v) the Agreement and Plan of Merger, dated as of September 17, 2018, by and among EEP, EECI, EEM, Enbridge, EUSI, Winter Acquisition Sub II, LLC, and solely for the purposes of Articles I, II and XI, EUSHI is terminated in accordance with its terms. In addition, Enbridge may terminate the Merger Agreement if the Special Committee changes its recommendation with respect to approval of the Merger Agreement prior to receipt of the Shareholder Approval. If the Merger Agreement is terminated under certain circumstances, Enbridge may be required to reimburse EEM for its transaction expenses in an amount not to exceed US$4 million.

The foregoing description of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by the actual Merger Agreement, a copy of which is filed as Exhibit 2.2 to Enbridge s Current Report on Form 8-K filed with the SEC on September 18, 2018 and Exhibit 2.1 to the Issuer s Current Report on Form 8-K filed with the SEC on September 18, 2018, and the terms of which are incorporated herein by reference.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The information provided or incorporated by reference in Item 4 is hereby incorporated by reference herein.

Item 7. Material to Be Filed as Exhibits

The information previously provided in response to this Item 7 is hereby amended and supplemented with the following:

(h) Agreement and Plan of Merger, dated as of September 17, 2018, by and among Enbridge Energy Management, L.L.C., Enbridge Inc., Winter Acquisition Sub I, Inc., and solely for the purposes of Article I, Section 2.4 and Article X, Enbridge Energy Company, Inc. (incorporated by reference to Exhibit 2.2 to Enbridge Inc. s Current Report on Form 8-K (File No. 001-15254) filed with the Securities and Exchange Commission on September 18, 2018).

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 18, 2018

ENBRIDGE INC.

By: /s/ Tyler W. Robinson
Name: Tyler W. Robinson
Title: Vice President & Corporate Secretary

By: /s/ Wanda Opheim
Name: Wanda Opheim
Title: Senior Vice President, Finance

ENBRIDGE US HOLDINGS INC.

By: /s/ David Taniguchi
Name: David Taniguchi
Title: Corporate Secretary

ENBRIDGE (U.S.) INC.

By: /s/ Kelly L. Gray
Name: Kelly L. Gray
Title: Corporate Secretary

ENBRIDGE ENERGY COMPANY, INC.

By: /s/ Kelly L. Gray
Name: Kelly L. Gray
Title: Corporate Secretary

0.4) (1.2)Exploration and other corporate items (4.0) (4.0)

Net negative variance (11.3)(25.1)

The increase in operating costs was attributable to the operating difficulties encountered in the third quarter of 2003 as well as the increased throughput rate. In the first nine months of 2003, the mill processed 396,000 more tons of ore than in the same period of 2002 and achieved onsite operating costs of C$52 per ton compared to C$51 per ton in the first nine months of 2002. In the third quarter of 2003, the operational difficulties discussed above led to an increase in operating costs to C$56 per ton from C$51 per ton in the third quarter of 2002.

In the third quarter of 2003 cash operating costs per ounce, excluding the El Coco royalty, increased to $309 per ounce from $197 per ounce in 2002. In the third quarter of 2003, total cash operating costs to produce an ounce of gold were $368 compared to $208 in the same quarter of 2002. For the year to date 2003, cash operating costs increased to $226 from $143 excluding the El Coco royalty and total cash operating costs increased to $287 from $173 in the first nine months of 2002. Total cash operating costs increased over 2002 due to lower gold production, a higher El Coco royalty, lower byproduct zinc production and a stronger Canadian dollar. As illustrated in the table above, these negative impacts on total cash operating costs were only partially offset by increases in byproduct copper and silver production.

The following table provides a reconciliation of the total cash operating costs per ounce of gold produced to the financial statements:

	Q3 2003	Q3 2002	**YTD 2003**	YTD 2002
	(thousands of dollars, except where noted)			
Cost of production per Consolidated Statements of Income (Loss)	**$ 25,909**	$ 15,460	**$ 74,837**	$ 52,676
Adjustments:				
Byproduct revenues	**(7,150)**	(5,225)	**(28,017)**	(19,473)
El Coco royalty	**(3,000)**	(573)	**(10,074)**	(5,532)
Revenue recognition adjustment[(i)]	**132**	432	**1,165**	(299)
Non cash reclamation provision	**(85)**	(250)	**(302)**	(925)
Cash operating costs	**$ 15,806**	$ 9,844	**$ 37,609**	$ 26,447
Gold production (ounces)	**51,192**	50,073	**166,354**	184,948
Cash operating cost (per ounce)	**$ 309**	$ 197	**$ 226**	$ 143
El Coco royalty (per ounce)	**59**	11	**61**	30
Total cash operating costs (per ounce)[(ii)]	**$ 368**	$ 208	**$ 287**	$ 173

Notes:

(i) Under the Company's revenue recognition policy, revenue is recognized on concentrates when legal title passes. Since cash operating costs are calculated on a production basis, this adjustment reflects the portion of concentrate production for which revenue has not been recognized in the year.

(ii) Total cash operating cost data is prepared in accordance with The Gold Institute Production Cost Standard and is not a recognized measure under US GAAP. Adoption of the standard is voluntary and this data may not be comparable to data presented by other gold producers. Management uses this generally accepted industry measure in evaluating operating performance and believes it to be a realistic indication of such performance. The data also indicates the Company's ability to generate cash flow and operating earnings at various gold prices. This additional information should be considered together with other data prepared in accordance with US GAAP.

Amortization expense increased 35% to $4.5 million in the third quarter of 2003 from $3.3 million in the third quarter of 2002 and increased 35% to $13.8 million in the first nine months of 2003 from $10.2 million in the first nine months of 2002. The increase in amortization is attributable to the increased mill throughput of approximately 28% and an increased capital base resulting from the Company's expansion of the LaRonde Mine to 7,000 tons of ore treated per day.

Exploration and corporate development expense increased 103% to $2.2 million in the third quarter of 2003 from $1.1 million in 2002 and increased 70% to $4.6 million in the first nine months of 2003 from $2.7 million in 2002. The increase in exploration and corporate development is mainly due to the Company's activities on the Lapa property.

Income and mining taxes increased to $0.1 million and $1.1 million respectively in the third quarter and nine months ended September 30, 2003 compared to nil in both comparable periods in 2002. The Company does not expect to pay cash income and mining taxes in 2003 however it accrues deferred income and mining taxes to reflect the drawdown of tax pools.

Liquidity and Capital Resources

At September 30, 2003, Agnico-Eagle's consolidated cash and cash equivalents were $115 million while working capital was $144 million. At December 31, 2002, the Company had $153 million in cash and cash equivalents and $185 million in working capital. Including the undrawn portion of its bank credit facility, the Company had $215 million of available cash resources at September 30, 2003 compared to $253 million at December 31, 2002. The Company currently has $100 million in undrawn credit and expects to have an additional $25 million available once certain completion tests are satisfied in connection with the LaRonde expansion to 7,000 tons per day. The credit agreement in respect of the undrawn $125 million bank facility was amended in the third quarter to temporarily defer the completion test covenant. The Company now expects to achieve completion in 2004 and will likely seek a further amendment to reflect the 2004 completion date.

Cash deficiency from operating activities, before working capital changes, was $6.6 million and $6.5 million, respectively in the quarter and nine months ended September 30, 2003 compared to cash flow of $2.3 million and $14.9 million, respectively in the quarter and nine months ended September 30, 2002. Operating cash flow was impacted by lower gold production, a higher El Coco royalty, lower byproduct zinc production and a stronger Canadian dollar offset partially by higher byproduct copper and silver production.

For the three and nine months ended September 30, 2003, capital expenditures and investments were $11.7 million and $41.1 million respectively compared to $22.0 million and $51.7 million in the three and nine months ended September 30, 2002. Capital expenditures at the Company's LaRonde Mine decreased to $7.5 million and $29.0 million in the three and nine months ended September 30, 2003 from $21.5 million and $50.9 million in the three and nine months ended September 30, 2002. The decrease is due to the Company having substantially completed the expansion of the LaRonde Mine to 7,000 tons per day. In the third quarter of 2003, the Company invested approximately $4.2 million in cash to acquire Barrick Gold Corporation's interest in the Bousquet property. This cash outflow is netted in "Acquisitions, investments and other" in the Company's Consolidated Statements of Cash Flows.

AGNICO-EAGLE MINES LIMITED

SUMMARIZED QUARTERLY DATA

(Unaudited)
(thousands of United States dollars, except where noted, US GAAP basis)

	Three months ended September 30,		Nine months ended September 30,	
	2003	**2002**	**2003**	**2002**
Consolidated Financial Data				
Income and cash flow				
LaRonde Division				
Revenues from mining operations	**$ 24,845**	$ 20,224	**$ 84,971**	$ 76,387
Mine operating costs	**25,909**	15,460	**74,837**	52,676
Mine operating profit (loss)	**$ (1,064)**	$ 4,764	**$ 10,134**	$ 23,711

	Three months ended September 30,		Nine months ended September 30,	
Net income (loss) for period	**$ (11,869)**	$ (630)	**$ (21,885)**	$ 3,207
Net income (loss) per share	**$ (0.14)**	$ (0.01)	**$ (0.26)**	$ 0.05
Operating cash flow (before non-cash working capital)	**$ (6,580)**	$ 2,343	**$ (6,525)**	$ 14,948
Weighted average number of shares basic (in thousands)	**83,954**	69,549	**83,838**	68,863
Tons of ore milled	**570,661**	456,818	**1,821,585**	1,425,234
Head grades:				
Gold (ounces per ton)	**0.10**	0.13	**0.10**	0.15
Silver (ounces per ton)	**1.69**	2.25	**2.14**	2.34
Zinc	**2.71%**	4.01%	**3.18%**	4.30%
Copper	**0.62%**	0.31%	**0.53%**	0.28%
Recovery rates:				
Gold	**91.60%**	92.43%	**91.26%**	93.28%
Silver	**79.79%**	77.60%	**81.43%**	80.41%
Zinc	**75.00%**	67.20%	**77.10%**	78.28%
Copper	**79.90%**	63.60%	**79.40%**	63.44%
Payable production:				
Gold (ounces)	**51,192**	50,073	**166,354**	184,948
Silver (ounces in thousands)	**648**	547	**2,733**	1,990
Zinc (pounds in thousands)	**20,561**	20,713	**75,605**	81,450
Copper (pounds in thousands)	**5,411**	1,728	**14,382**	4,943
Realized prices per unit of production:				
Gold (per ounce)	**$ 365**	$ 314	**$ 354**	$ 307
Silver (per ounce)	**$ 5.04**	$ 4.73	**$ 4.98**	$ 4.65
Zinc (per pound)	**$ 0.37**	$ 0.37	**$ 0.36**	$ 0.36
Copper (per pound)	**$ 0.80**	$ 0.74	**$ 0.76**	$ 0.75
Onsite operating costs per ton milled (Canadian dollars)	**$ 56**	$ 51	**$ 52**	$ 51
Total operating costs per gold ounce produced:				
Onsite operating costs (including asset retirement expenses)	**$ 451**	$ 304	**$ 396**	$ 256
Less: Non-cash asset retirement expenses	**(2)**	(5)	**(2)**	(5)
Net byproduct revenues	**(140)**	(102)	**(168)**	(108)
Cash operating costs	**$ 309**	$ 197	**$ 226**	$ 143
Accrued El Coco royalties	**59**	11	**61**	30
Total cash operating costs	**$ 368**	$ 208	**$ 287**	$ 173
Non-cash costs:				
Asset retirement expenses	**2**	5	**2**	5
Amortization	**87**	66	**83**	55
Total operating costs	**$ 457**	$ 279	**$ 372**	$ 233

CONSOLIDATED BALANCE SHEETS

(thousands of United States dollars, US GAAP basis)

	September 30, 2003	December 31, 2002
	(Unaudited)	
ASSETS		
Current		
Cash and cash equivalents	**$ 114,873**	$ 152,934
Metals awaiting settlement	**18,861**	29,749
Income taxes recoverable	**4,748**	2,900
Inventories:		
Ore stockpiles	**5,701**	4,604
In-process concentrates	**2,531**	1,008
Supplies	**5,652**	5,008
Prepaid expenses and other	**9,796**	10,025
Total current assets	**162,162**	206,228
Fair value of derivative financial instruments	**6,178**	1,835
Investments and other assets	**13,287**	8,795
Future income and mining tax assets	**23,759**	23,890
Mining properties	**394,112**	353,059
	$ 599,498	$ 593,807
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	**$ 17,043**	$ 15,246
Dividends payable	**756**	3,013
Income and mining taxes payable		954
Interest payable	**310**	1,873
Total current liabilities	**18,109**	21,086
Long-term debt	**143,750**	143,750
Fair value of derivative financial instruments		5,346
Asset retirement obligation and other liabilities	**18,466**	5,043
Future income and mining tax liabilities	**23,140**	20,889
Shareholders' Equity		
Common shares		
Authorized unlimited		
Issued 84,391,716 (2002 83,636,861)	**600,447**	591,969
Warrants	**15,732**	15,732
Contributed surplus	**7,181**	7,181
Deficit	**(217,908)**	(196,023)
Accumulated other comprehensive loss	**(9,419)**	(21,166)

	September 30, 2003	December 31, 2002
Total shareholders' equity	**396,033**	397,693
	$ 599,498	$ 593,807

Note: Certain items have been reclassified from financial statements previously presented to conform to the current presentation.

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AGNICO-EAGLE MINES LIMITED

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited)
(thousands of United States dollars, except per share amounts, US GAAP basis)

	Three months ended September 30,		Nine months ended September 30,	
	2003	**2002**	**2003**	**2002**
REVENUES				
Revenues from mining operations	**$ 24,845**	$ 20,224	**$ 84,971**	$ 76,387
Interest and sundry income	**489**	2,160	**3,252**	2,773
	25,334	22,384	**88,223**	79,160
COSTS AND EXPENSES				
Production	**25,909**	15,460	**74,837**	52,676
Exploration and corporate development	**2,199**	1,081	**4,637**	2,724
Amortization	**4,471**	3,313	**13,775**	10,242
General and administrative	**1,594**	1,364	**5,301**	3,863
Provincial capital tax	**408**	182	**1,182**	1,174
Interest	**2,236**	1,833	**6,694**	5,486
Foreign currency (gain) loss	**(17)**	(439)	**(41)**	(940)
Income (loss) before income, mining and federal capital taxes	**(11,466)**	(410)	**(18,162)**	3,935
Federal capital tax	**309**	220	**898**	728
Income and mining tax expense	**94**		**1,082**	
Income (loss) before cumulative catch-up adjustment	**(11,869)**	(630)	**(20,142)**	3,207
Cumulative catch-up adjustment relating to FAS 143			**(1,743)**	
Net income (loss) for the period	**$ (11,869)**	$ (630)	**$ (21,885)**	$ 3,207
Net income (loss) before cumulative catch-up adjustment per share basic and diluted	**$ (0.14)**	$ (0.01)	**$ (0.24)**	$ 0.05
Cumulative catch-up adjustment per share basic and diluted			**(0.02)**	
Net income (loss) per share basic and diluted	**$ (0.14)**	$ (0.01)	**$ (0.26)**	$ 0.05
Weighted average number of shares (in thousands)				
basic	**83,954**	69,549	**83,838**	68,863

	Three months ended September 30,		Nine months ended September 30,	
diluted	**83,954**	69,549	**83,838**	68,863
Comprehensive income (loss):				
Net Income (loss) for the period	**$ (11,869)**	$ (630)	**$ (21,885)**	$ 3,207
Other comprehensive income (loss):				
Unrealized gain (loss) on hedging activities, net of tax	**(901)**	557	**7,099**	(2,731)
Dilution gain on issuance of shares by subsidiary, net of tax	**4,500**		**4,500**	
Unrealized gain (loss) on available for sale securities, net of tax	**1,649**		**1,633**	
Realized gain on available for sale securities, net of tax			**(1,485)**	
Other comprehensive income (loss)	**$ 5,248**	$ 557	**$ 11,747**	$ (2,731)
Comprehensive income (loss) for the period	**$ (6,621)**	$ (73)	**$ (10,138)**	$ 476

Note: Certain items have been reclassified from financial statements previously presented to conform to the current presentation.

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AGNICO-EAGLE MINES LIMITED

CONSOLIDATED STATEMENTS OF DEFICIT AND ACCUMULATED OTHER COMPREHENSIVE LOSS

(Unaudited)
(thousands of United States dollars, US GAAP basis)

	Three months ended September 30,		Nine Months ended September 30,	
	2003	**2002**	**2003**	**2002**
Deficit				
Balance, beginning of period	**$ (206,039)**	$ (193,383)	**$ (196,023)**	$ (197,220)
Net income (loss) for the period	**(11,869)**	(630)	**(21,885)**	3,207
Balance, end of period	**$ (217,908)**	$ (194,013)	**$ (217,908)**	$ (194,013)
Accumulated other comprehensive loss				
Balance, beginning of period	**$ (14,667)**	$ (18,864)	**$ (21,166)**	$ (15,576)
Other comprehensive income (loss) for the period	**5,248**	557	**11,747**	(2,731)
Balance, end of period	**$ (9,419)**	$ (18,307)	**$ (9,419)**	$ (18,307)

Note: Certain items have been reclassified from financial statements previously presented to conform to the current presentation.

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AGNICO-EAGLE MINES LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(thousands of United States dollars, US GAAP basis)

	Three months ended September 30,		Nine months ended September 30,	
	2003	**2002**	**2003**	**2002**
Operating activities				
Net income (loss) for the period	**$ (11,869)**	$ (630)	**$ (21,885)**	$ 3,207
Add (deduct) items not affecting cash from operating activities:				
Amortization	**4,471**	3,313	**13,775**	10,242
Provision for future income and mining taxes	**187**	541	**2,251**	541
Unrealized (gain) loss on derivative contracts	**(171)**	(1,344)	**(2,677)**	(1,344)
Cumulative catch-up adjustment relating to FAS 143			**1,743**	
Amortization of deferred costs and other	**802**	463	**268**	2,302
Cash flow from operations, before working capital changes	**(6,580)**	2,343	**(6,525)**	14,948
Change in non-cash working capital balances				
Metals awaiting settlement	**10,375**	11,913	**10,888**	2,426
Income taxes recoverable	**(977)**	(649)	**(1,848)**	(1,189)
Inventories	**(908)**	(507)	**(3,264)**	(330)
Prepaid expenses and other	**(2,802)**	(124)	**(1,109)**	189
Accounts payable and accrued liabilities	**3,289**	(3,016)	**1,971**	2,712
Interest payable	**(1,636)**	(1,659)	**(1,563)**	(1,645)
Cash flows from (used in) operating activities	**761**	8,301	**(1,450)**	17,111
Investing activities				
Additions to mining properties	**(7,468)**	(21,486)	**(28,976)**	(50,940)
Acquisitions, investments and other	**(4,192)**	(504)	**(12,079)**	(808)
Cash flows used in investing activities	**(11,660)**	(21,990)	**(41,055)**	(51,748)
Financing activities				
Dividends paid		(25)	**(2,431)**	(1,344)
Common shares issued	**4,640**	3,502	**6,960**	16,066
Proceeds from long-term debt				143,750
Financing costs				(5,266)
Repayment of the Company's senior convertible notes				(122,169)
Cash flows from financing activities	**4,640**	3,477	**4,529**	31,037
Effect of exchange rate changes on cash and cash equivalents	**54**	(400)	**(85)**	119
Net decrease in cash and cash equivalents	**(6,205)**	(10,612)	**(38,061)**	(3,481)
Cash and cash equivalents, beginning of period	**121,078**	28,311	**152,934**	21,180
Cash and cash equivalents, end of period	**$ 114,873**	$ 17,699	**$ 114,873**	$ 17,699

	Three months ended September 30,		Nine months ended September 30,	
Other operating cash flow information:				
Interest paid during the period	**$ 3,477**	$ 3,708	**$ 7,401**	$ 22,950
Taxes paid during the period	**$ 1,065**	$ 663	**$ 2,234**	$ 3,302

Note: Certain items have been reclassified from financial statements previously presented to conform to the current presentation.

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AGNICO-EAGLE MINES LIMITED

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

US GAAP basis
(Unaudited)

1. BASIS OF PRESENTATION

Agnico-Eagle Mines Limited's ("Agnico-Eagle" or the "Company") primary basis of financial reporting is United States generally accepted accounting principles. Financial statements under Canadian generally accepted accounting principles are also prepared for statutory reporting purposes in Canada and sent to shareholders.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with US GAAP in US dollars. They do not include all of the disclosures required by generally accepted accounting principles for annual financial statements. In the opinion of management, the unaudited interim consolidated financial statements reflect all adjustments, which consist only of normal and recurring adjustments, necessary to present fairly the financial position at September 30, 2003 and the results of operations and cash flows for the three and nine month periods ended September 30, 2003 and 2002.

Operating results for the three and nine month periods ended September 30, 2003 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2003. Accordingly, these unaudited interim financial statements should be read in conjunction with the fiscal 2002 annual consolidated financial statements, including the accounting policies and notes thereto, included in the Annual Report and Annual Information Form/Form 20-F for the year ended December 31, 2002.

2. USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates used in the preparation of the consolidated financial statements are reasonable and prudent; however, actual results could differ from these estimates.

3. CHANGE IN ACCOUNTING POLICIES

Except for the items outlined below, these interim consolidated financial statements follow the same accounting policies and methods of their application as the December 31, 2002 audited annual financial statements.

(a) Reclamation Costs

Estimated reclamation costs are based on legal, environmental and regulatory requirements. Prior to January 1, 2003, reclamation costs were accrued on an undiscounted unit-of-production basis, using proven and probable reserves as the base. Effective January 1, 2003, the Company adopted the provisions of Financial Accounting Standards Board Statement No. 143 relating to asset retirement obligations, which applies to long-lived assets such as mines. The new standard requires companies to recognize the present value of mine reclamation costs as a liability in the period the obligation is incurred and then to periodically re-evaluate the liability. At inception, an amount equal to the liability is recorded as an increase to the carrying value of the related long-lived asset. Each period, an accretion amount is charged to income to adjust the liability to the estimated future value. The initial liability, which is included in the carrying value of the asset, is also depreciated each period based on the depreciation method used for that asset.

In order to calculate the initial liability on January 1, 2003, the Company made estimates of the final reclamation costs based on mine-closure plans approved by environmental agencies. The Company periodically reviews these cost estimates and updates them if assumptions change, such as life-of-mine.

The adoption of FAS 143 negatively impacted income in the first quarter of 2003 as the Company recorded a non-cash charge of approximately $1.7 million, or $0.02 per share, representing the past cumulative effect of adopting this standard.

(b) Stock-based compensation

The Company has an Employee Stock Option Plan ("ESOP") which is described fully in note 7 to the Company's December 31, 2002 annual audited consolidated financial statements. Prior to 2003, the company accounted for those plans under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. No stock-based employee compensation cost is reflected in income prior to January 31, 2003 as all options granted under the ESOP had an exercise price equal to the market value of the underlying common stock on the date of grant. Effective January 1, 2003, the company adopted the fair value recognition provisions of FASB Statement No. 123, "Accounting for Stock-Based Compensation,"("FAS 123") as amended by FASB Statement No. 148 "Accounting for Stock-Based Compensation Transition and Disclosure." The Company has adopted the provisions of FAS 123 prospectively to all employee awards granted,

modified, or settled after January 1, 2003. No options were granted in the first quarter ended March 31, 2003 and accordingly no compensation expense has been recognized in the interim consolidated financial statements.

(c) Basis of consolidation

As a result of issuances of stock by its subsidiary company, Sudbury Contact Mines Limited ("Sudbury"), the Company's interest in Sudbury has been diluted to below 50% in the quarter. The Company therefore no longer consolidates the results of Sudbury but accounts for its investment using the equity method of accounting. The Company has determined that the equity method is appropriate to account for its investment by applying the provisions of Accounting Research Bulletin ("ARB") No. 51, "Consolidated Financial Statements" as interpreted by FASB Interpretation No. 46, "Consolidation of Variable Interest Entities an Interpretation of ARB No. 51." The Company reports its share of losses in Sudbury as a separate line item in the financial statements. The Company began using the equity method to account for its interest in Sudbury on September 1, 2003. The Company's share of losses of Sudbury from September 1 to September 30, 2003 is not material and thus has not been presented as a separate line item in the quarter.

4. CAPITAL STOCK

For the three and nine month periods ended September 30, 2003, the Company's 2012 convertible debentures, warrants and employee stock options were all anti-dilutive and thus were excluded from the calculation of diluted net loss per share.

The following table presents the maximum number of common shares that would be outstanding if all dilutive instruments outstanding at September 30, 2003 were exercised:

Common shares outstanding at September 30, 2003	84,391,717
Convertible debenture [based on debenture holders' option]	10,267,919
Employees' stock options	2,886,900
Warrants	6,900,000
	104,446,536

During the nine month period ended September 30, 2003, 208,450 (2002 1,887,600) employee stock options were exercised for cash of $1.5 million (2002 $14.2 million).

5. FINANCIAL INSTRUMENTS

As at September 30, 2003, Agnico-Eagle's derivative financial instruments relating to metals consisted of the following:

Expected Maturity

	2003	2004	2005	2006	2007
Gold					
Put options purchased					
Amount hedged (ounces)		136,644	190,020	152,340	131,280
Average price ($/ounce)		$260	$260	$260	$260
Silver					
Call options sold					
Amount hedged (ounces in 000's)	489				
Average price ($/ounce)	$5.50				
Copper					
Call options sold					
Amount hedged (lbs. in 000's)	3,413				
Average price ($/lb.)	$0.81				

At September 30, 2003, Agnico-Eagle's consolidated foreign-currency hedging program consisted of the following:

	Expected Maturity			
	2003	**2004**	**2005**	**2006**
US$ call options sold				
Amount (thousands)	$ 12,000	$ 24,000	$ 12,000	$ 12,000
US$/C$ weighted average exchange rate	1.6080	1.6390	1.6050	1.6475
US$ put options purchased				
Amount (thousands)	$	$ 24,000	$ 12,000	$ 12,000
US$/C$ weighted average exchange rate		1.5900	1.5000	1.5600
US$ put options sold				
Amount (thousands)	$	$	$ 12,000	$
US$/C$ weighted average exchange rate			1.3700	

At September 30, 2003, the aggregate net market value of Agnico-Eagle's metals derivative position amounted to $0.8 million. The Company's aggregate net market value of its foreign exchange hedge position at September 30, 2003 was $5.4 million. Since the Company uses only over-the-counter instruments, the fair value of individual hedging instruments is based on readily available market values.

6. ACQUISITIONS

In the third quarter of 2003, the Company purchased from Barrick Gold Corporation a 100% interest in Barrick's Bousquet Property, immediately to the west and south of Agnico-Eagle's 100% owned LaRonde Mine in northwestern Québec. Agnico-Eagle also acquired used machinery and equipment from the now closed Bousquet Mines including underground rolling stock and the headframe at Bousquet 2. In addition to the Bousquet Mine assets, Agnico-Eagle also purchased certain of Barrick's regional exploration properties.

The primary reason for the acquisition was to enhance the Company's regional development. With this acquisition, the Company now controls 100% of over 14 miles of contiguous favourable geology along the prolific Cadillac-Bousquet Gold Belt which hosts the Company's 100% owned LaRonde Mine. With this transaction, the Company also has the dominant land position on the Cadillac-Larder Lake Break immediately to the south which hosts the Company's 100% owned Lapa property.

The Company's financial statements for the three and nine months ended September 30, 2003 do not include results of operations from this acquisition as there are currently no mining activities on any of the acquired properties.

The Company is in the process of finalizing the fair value estimates for the assets acquired. The following represents the preliminary purchase price allocation for the acquisition (in thousands of United States dollars):

Cash	$ 3,665
125,612 Agnico-Eagle shares (valued at $11.67 per share)	1,466
Transaction costs	424
	$ 5,555
Allocation of purchase price	
Buildings and property	$ 3,908
Production equipment	1,776
Head-frame and related infrastructure	1,705
Mining properties	7,452
Liabilities assumed	(9,286)
	$ 5,555

QUARTERLY MANAGEMENT DISCUSSION AND ANALYSIS CANADIAN GAAP

(all figures are expressed in US dollars unless otherwise noted)

Results of Operations

Agnico-Eagle reported a third quarter net loss of $5.8 million, or $0.09 cents per share, compared with a net earnings of $0.2 million, or $(0.03) cents per share, in the third quarter of 2002. For the year to date, Agnico-Eagle reported a net loss of $12.8 million, or $0.21 cents per share, compared with net income of $9.8 million, or $0.07 cents per share, in the first nine months of 2002.

In the third quarter of 2003, the Company produced 51,192 ounces compared with 50,073 ounces produced in the third quarter of 2002. Year to date, the Company has produced 166,354 ounces of gold compared with 184,948 ounces produced in the first nine months of 2002. Despite record tonnage from the lower part of the mine in the third quarter, production drilling challenges slowed down planned extraction time. As a result, five mining blocks containing approximately 27,000 ounces were not extracted as planned in the third quarter which negatively impacted operating results. In addition, the mill experienced a difficult quarter with numerous "stop-start" cycles due to shortages of ore and electrical problems as well as variable ore types with increasing production from the lower levels.

Given these operating challenges, the Company will not achieve its most recent production target of 300,000 ounces for 2003. In the fourth quarter, production is expected to be 70,000 to 75,000 ounces at a cash cost of $210 to $230 per ounce. Total cash operating costs, including the El Coco royalty, are projected to be $240 to $260 per ounce. The cash operating cost projection has been prepared based on assumed byproduct prices and exchange rates for the fourth quarter of $4.90 per ounce silver, $0.40 per pound zinc, $0.85 per pound copper and $1.30 US/Canadian dollar.

The table below summarizes the key variances in net loss for the third quarter and year to date 2003 from the net income (loss) reported for the comparable periods in 2002:

	Third Quarter	**Year to Date**
	(millions of dollars)	
Increase in gold price	$ 2.6	$ 7.3
Increase in copper production	1.4	5.7
Increase in silver production and price	0.6	4.4
Increase in operating costs	(5.6)	(13.1)
Increase (decrease) in gold production	0.3	(6.7)
Stronger Canadian dollar	(2.4)	(4.5)
Increase in El Coco royalty	(2.5)	(4.6)
Increase in amortization	(1.2)	(3.5)

	Third Quarter	Year to Date
Decrease in zinc production		(2.1)
Increase in deferred tax expense	(0.1)	(1.1)
Increase in interest expense	(0.4)	(1.2)
Gain on settlement of convertible notes in Q1 2002		(6.2)
Dilution gain on issuance of stock by subsidiary	4.5	4.5
Exploration and other corporate items	(3.2)	(1.5)
Net negative variance	$ (6.0)	$ (22.6)

The increase in operating costs was attributable to the operating difficulties encountered in the third quarter of 2003 as well as the increased throughput rate. In the first nine months of 2003, the mill processed 396,000 more tons of ore than in the same period of 2002 and achieved onsite operating costs of C$52 per ton compared to C$51 per ton in the first nine months of 2002. In the third quarter of 2003, the operational difficulties discussed above led to an increase in operating costs to C$56 per ton from C$51 per ton in the third quarter of 2002.

In the third quarter of 2003 cash operating costs per ounce, excluding the El Coco royalty, increased to $309 per ounce from $197 per ounce in 2002. In the third quarter of 2003, total cash operating costs to produce an

ounce of gold were $368 compared to $208 in the same quarter of 2002. For the year to date 2003, cash operating costs increased to $226 from $143 excluding the El Coco royalty and total cash operating costs increased to $287 from $173 in the first nine months of 2002. Total cash operating costs increased over 2002 due to lower gold production, a higher El Coco royalty, lower byproduct zinc production and a stronger Canadian dollar. As illustrated in the table above, these negative impacts on total cash operating costs were only partially offset by increases in byproduct copper and silver production.

The following table provides a reconciliation of the total cash operating costs per ounce of gold produced to the financial statements:

	Q3 2003	Q3 2002	YTD 2003	YTD 2002
	(thousands of dollars, except where noted)			
Cost of production per Consolidated Statements of Income (Loss)	**$ 26,080**	$ 15,362	**$ 75,366**	$ 51,895
Adjustments:				
Byproduct revenues	**(7,150)**	(5,225)	**(28,017)**	(19,473)
El Coco royalty	**(3,000)**	(573)	**(10,074)**	(5,532)
Revenue recognition adjustment[(i)]	**132**	530	**1,165**	482
Non cash reclamation provision	**(256)**	(250)	**(831)**	(925)
Cash operating costs	**$ 15,806**	$ 9,844	**$ 37,609**	$ 26,447
Gold production (ounces)	**51,192**	50,073	**166,354**	184,948
Cash operating cost (per ounce)	**$ 309**	$ 197	**$ 226**	$ 143
El Coco royalty (per ounce)	**59**	11	**61**	30
Total cash operating costs (per ounce)[(ii)]	**$ 368**	$ 208	**$ 287**	$ 173

Notes:

(i)

Under the Company's revenue recognition policy, revenue is recognized on concentrates when legal title passes. Since cash operating costs are calculated on a production basis, this adjustment reflects the portion of concentrate production for which revenue has not been recognized in the year.

(ii)

Total cash operating cost data is prepared in accordance with The Gold Institute Production Cost Standard and is not a recognized measure under US GAAP. Adoption of the standard is voluntary and this data may not be comparable to data presented by other gold producers. Management uses this generally accepted industry measure in evaluating operating performance and believes it to be a realistic indication of such performance. The data also indicates the Company's ability to generate cash flow and operating earnings at various gold prices. This additional information should be considered together with other data prepared in accordance with US GAAP.

Amortization expense increased 35% to $4.5 million in the third quarter of 2003 from $3.3 million in the third quarter of 2002 and increased 40% to $13.8 million in the first nine months of 2003 from $9.8 million in the first nine months of 2002. The increase in amortization is attributable to the increased mill throughput of approximately 28% and an increased capital base resulting from the Company's expansion of the LaRonde Mine to 7,000 tons of ore treated per day.

Exploration and corporate development expense increased 103% to $2.2 million in the third quarter of 2003 from $1.1 million in 2002 and increased 70% to $4.6 million in the first nine months of 2003 from $2.7 million in 2002. The increase in exploration and corporate development is mainly due to the Company's activities on the Lapa property.

Income and mining taxes increased to $0.1 million and $1.1 million respectively in the third quarter and nine months ended September 30, 2003 compared to nil in both comparable periods in 2002. The Company does not expect to pay cash income and mining taxes in 2003 however it accrues deferred income and mining taxes to reflect the drawdown of tax pools.

Liquidity and Capital Resources

At September 30, 2003, Agnico-Eagle's consolidated cash and cash equivalents were $115 million while working capital was $142 million. At December 31, 2002, the Company had $153 million in cash and cash equivalents and $183 million in working capital. Including the undrawn portion of its bank credit facility, the

Company had $215 million of available cash resources at September 30, 2003 compared to $253 million at December 31, 2002. The Company currently has $100 million in undrawn credit and expects to have an additional $25 million available once certain completion tests are satisfied in connection with the LaRonde expansion to 7,000 tons per day. The credit agreement in respect of the undrawn $125 million bank facility was amended in the third quarter to temporarily defer the completion test covenant. The Company now expects to achieve completion in 2004 and will likely seek a further amendment to reflect the 2004 completion date.

Cash deficiency from operating activities, before working capital changes, was $6.0 million and $2.3 million, respectively in the quarter and nine months ended September 30, 2003 compared to cash flow of $2.3 million and $14.9 million, respectively in the quarter and nine months ended September 30, 2002. Operating cash flow was impacted by lower gold production, a higher El Coco royalty, lower byproduct zinc production and a stronger Canadian dollar offset partially by higher byproduct copper and silver production.

For the three and nine months ended September 30, 2003, capital expenditures and investments were $11.7 million and $41.1 million respectively compared to $22.0 million and $51.7 million in the three and nine months ended September 30, 2002. Capital expenditures at the Company's LaRonde Mine decreased to $7.5 million and $29.0 million in the three and nine months ended September 30, 2003 from $21.5 million and $50.9 million in the three and nine months ended September 30, 2002. The decrease is due to the Company having substantially completed the expansion of the LaRonde Mine to 7,000 tons per day. In the third quarter of 2003, the Company invested approximately $4.2 million in cash to acquire Barrick Gold Corporation's interest in the Bousquet property. This cash outflow is netted in "Acquisitions, investments and other" in the Consolidated Statements of Cash Flows.

AGNICO-EAGLE MINES LIMITED

SUMMARIZED QUARTERLY DATA

(Unaudited)
(thousands of United States dollars, except where noted, CDN GAAP basis)

	Three months ended September 30,		Nine months ended September 30,	
	2003	**2002**	**2003**	**2002**
Consolidated Financial Data				
Income and cash flow				
LaRonde Division				
Revenues from mining operations	**$ 24,845**	$ 21,024	**$ 84,971**	$ 75,458
Mine operating costs	**26,080**	15,362	**75,366**	51,895
Mine operating profit (loss)	**$ (1,235)**	$ 5,662	**$ 9,605**	$ 23,563
Net income (loss) for period	**$ (5,809)**	$ 153	**$ (12,797)**	$ 9,824
Net income (loss) per share	**$ (0.09)**	$ (0.03)	**$ (0.21)**	$ 0.07
Operating cash flow (before non-cash working capital)	**$ (6,016)**	$ 1,440	**$ (2,282)**	$ 16,628
Weighted average number of shares basic (in thousands)	**83,954**	69,050	**83,838**	68,863
Tons of ore milled	**570,661**	456,818	**1,821,585**	1,425,234
Head grades:				
Gold (ounces per ton)	**0.10**	0.13	**0.10**	0.15
Silver (ounces per ton)	**1.69**	2.25	**2.14**	2.34
Zinc	**2.71%**	4.01%	**3.18%**	4.30%
Copper	**0.62%**	0.31%	**0.53%**	0.28%
Recovery rates:				
Gold	**91.60%**	92.43%	**91.26%**	93.28%
Silver	**79.79%**	77.60%	**81.43%**	80.41%
Zinc	**75.00%**	67.20%	**77.10%**	78.28%
Copper	**79.90%**	63.60%	**79.40%**	63.44%
Payable production:				
Gold (ounces)	**51,192**	50,073	**166,354**	184,948
Silver (ounces in thousands)	**648**	547	**2,733**	1,990
Zinc (pounds in thousands)	**20,561**	20,713	**75,605**	81,450
Copper (pounds in thousands)	**5,411**	1,728	**14,382**	4,943
Realized prices per unit of production:				
Gold (per ounce)	**$ 365**	$ 314	**$ 354**	$ 307
Silver (per ounce)	**$ 5.04**	$ 4.73	**$ 4.98**	$ 4.65
Zinc (per pound)	**$ 0.37**	$ 0.37	**$ 0.36**	$ 0.36
Copper (per pound)	**$ 0.80**	$ 0.74	**$ 0.76**	$ 0.75
Onsite operating costs per ton milled (Canadian dollars)	**$ 56**	$ 51	**$ 52**	$ 51
Total operating costs per gold ounce produced:				
Onsite operating costs (including asset retirement expenses)	**$ 454**	$ 304	**$ 399**	$ 256
Less: Non-cash asset retirement expenses	**(5)**	(5)	**(5)**	(5)
Net byproduct revenues	**(140)**	(102)	**(168)**	(108)

	Three months ended September 30,		Nine months ended September 30,	
Cash operating costs	**$ 309**	$ 197	**$ 226**	$ 143
Accrued El Coco royalties	**59**	11	**61**	30
Total cash operating costs	**$ 368**	$ 208	**$ 287**	$ 173
Non-cash costs:				
Asset retirement expenses	**5**	5	**5**	5
Amortization	**87**	66	**83**	55
Total operating costs	**$ 460**	$ 279	**$ 375**	$ 233

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AGNICO-EAGLE MINES LIMITED

CONSOLIDATED BALANCE SHEETS

(thousands of United States dollars, CDN GAAP basis)

	September 30, 2003	December 31, 2002
	(Unaudited)	
ASSETS		
Current		
Cash and cash equivalents	**$ 114,873**	$ 152,934
Metals awaiting settlement	**18,861**	29,749
Income taxes recoverable	**4,748**	2,900
Inventories:		
Ore stockpiles	**5,701**	4,604
In-process concentrates	**2,531**	1,008
Supplies	**5,652**	5,008
Prepaid expenses and other	**8,090**	7,576
Total current assets	**160,456**	203,779
Investments and other assets	**13,599**	8,951
Future income and mining tax assets	**22,929**	22,929
Mining properties	**396,561**	356,409
	$ 593,545	$ 592,068
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	**$ 17,043**	$ 15,246
Dividends payable	**756**	3,013
Income and mining taxes payable		954
Interest payable	**310**	1,873
Total current liabilities	**18,109**	21,086

	September 30, 2003	December 31, 2002
Reclamation provision and other liabilities	**15,681**	4,314
Future income and mining tax liabilities	**26,067**	23,819
Shareholders' Equity		
Common shares		
Authorized unlimited		
Issued 83,902,863 (2002 83,636,861)	**450,103**	441,363
Convertible debenture	**94,152**	91,465
Other paid-in capital	**55,028**	55,028
Warrants	**15,732**	15,732
Contributed surplus	**5,560**	5,560
Deficit	**(86,887)**	(66,299)
Total shareholders' equity	**533,688**	542,849
	$ 593,545	$ 592,068

Note: Certain items have been reclassified from financial statements previously presented to conform to the current presentation.

AGNICO-EAGLE MINES LIMITED

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(Unaudited)
(thousands of United States dollars, except per share amounts, CDN GAAP basis)

	Three months ended September 30,		Nine months ended September 30,	
	2003	2002	2003	2002
REVENUES				
Revenues from mining operations	**$ 24,845**	$ 21,024	**$ 84,971**	$ 75,458
Interest and sundry income	**324**	167	**1,390**	919
	25,169	21,191	**86,361**	76,377
COSTS AND EXPENSES				
Production	**26,080**	15,362	**75,366**	51,895
Exploration and corporate development	**2,199**	1,081	**4,637**	2,724
Amortization	**4,471**	3,313	**13,775**	9,802
General and administrative	**1,594**	1,364	**5,301**	3,863
Provincial capital tax	**408**	182	**1,182**	1,174
Interest	**339**	15	**1,456**	2,005
Foreign currency (gain) loss	**(17)**	(577)	**(41)**	(753)
Income (loss) before undernoted	**(9,905)**	451	**(15,315)**	5,667
Dilution gain on issuance of stock by subsidiary company	**4,499**		**4,499**	
Gain on settlement of Company's senior convertible notes				6,184

	Three months ended September 30,		Nine months ended September 30,	
Income (loss) before income, mining and federal capital taxes	**(5,406)**	451	**(10,816)**	11,851
Federal capital tax	**309**	298	**898**	727
Income and mining tax expense	**94**		**1,083**	1,300
Net income (loss) for the period	**$ (5,809)**	$ 153	**$ (12,797)**	$ 9,824
Net income (loss) per share basic and diluted (note 3)	**$ (0.09)**	$ (0.03)	**$ (0.21)**	$ 0.07
Weighted average number of shares (in thousands) (note 3)				
basic	**83,954**	69,050	**83,838**	68,863
diluted	**83,954**	80,546	**83,838**	68,863

Note: Certain items have been reclassified from financial statements previously presented to conform to the current presentation.

AGNICO-EAGLE MINES LIMITED

CONSOLIDATED STATEMENTS OF DEFICIT

(Unaudited)
(thousands of United States dollars, except per share amounts, CDN GAAP basis)

	Three months ended September 30,		Nine Months ended September 30,	
	2003	**2002**	**2003**	**2002**
Deficit				
Balance, beginning of period	**$ (78,276)**	$ (51,326)	**$ (66,299)**	$ (56,731)
Net income (loss) for the period	**(5,809)**	153	**(12,797)**	9,824