EDISON

QuickView

Agnico Eagle Mines

Metals and mining

7 August 2026

Hope springs eternal

Agnico's 19 May announcement of a positive investment decision regarding its Hope Bay project marks the third step of five (after Detour Lake and Canadian Malartic) to increase production beyond 4Moz per year from FY31. The project, which is effectively at the preliminary economic assessment stage of development, will look to process c 6,000tpd of ore (c 2Mtpa) at a grade of c 6.5g/t to produce 400–435koz gold doré per year, after c 94% metallurgical recovery. Initial capex has been estimated at US$2.4bn and sustaining capex at US$1.1bn over an 11-year life (starting in FY30), while total cash costs and all-in sustaining costs have been estimated at US$958/oz and US$1,214/oz, respectively, at a gold price of US$4,500/oz, or US$942/oz and US$1,199/oz, respectively, at a gold price of US$3,600/oz. At the higher gold price, Agnico calculates a project NPV$_5$ of US$4.3bn (US$8.49/share) and a post-tax internal rate of return (IRR) of 26%. At the lower gold price, it calculates an NPV$_5$ of US$2.7bn (US$5.33/share) and an IRR of 19%.

Edison has created a mirror model for Hope Bay from the data provided, in which we calculate an NPV$_5$ of US$4.57bn and an IRR of 24.5% (variances of 6.3% and 1.5pp, respectively) at US$4,500/oz Au. At US$3,600/oz Au, we calculate an NPV$_5$ of US$2.89bn and an IRR of 18.8% (variances of 7.0% and 0.2pp, respectively), which we regard as being within acceptable levels of accuracy. Using this model, we calculate a more contemporary value for Hope Bay of US$3.2bn (US$6.25/share), based on the current gold price of US$4,200/oz and a (real) discount rate of 6.6% (derived from assumed, long-term nominal equity returns of 9% per year and long-term inflation expectations, derived from US 30-year break-evens, of 2.2%). Analysed in an alternative manner, we calculate (using the Edison model) that Hope Bay will add an average of US$1.38/share to Agnico's adjusted net income per share during FY30–40 at a flat (real) gold price of US$4,200/oz.

At US$4,200/oz Au (real), we estimate Agnico's share price of US$167.92 is currently discounting long-term (real) cash flow per share declines from FY30, whereas organic production growth from FY26 to FY32 should underpin growth of 5.1% per year alone (with additional incremental contributions from Upper Beaver and St Nicolas still unquantified), while the gold price should provide an additional 4.1% per year (being the metal's compound average annual real price growth rate from 1967 to 2025). Note that Agnico's cash flows per share grew at a compound average rate of 7.8% per year in FY10–25. In the meantime, Agnico's average historical contemporary year 1 P/E ratio of 43.0x implies a share price of US$549.68, while its average historical contemporary year 1 yield of 1.6% implies a share price US$111.66 (based on consensus forecasts). However, with the gold price nearer Q425 levels than Q126 levels, we would suggest consensus FY26 EPS may be slightly optimistic and that a figure of c US$11.26/share is more achievable.

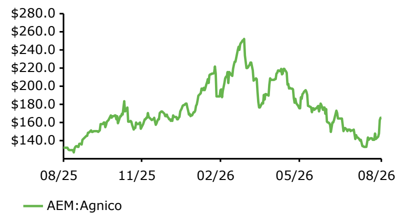
Consensus estimates

Year end	Revenue ($m)	PBT ($m)	EPS ($)	DPS ($)	P/E (x)	Yield (%)
12/24	8,286.0	2,987.0	4.24	1.60	39.6	1.0
12/25	11,908.0	6,225.0	7.93	1.60	21.2	1.0
12/26e	15,884.0	10,628.0	12.79	1.79	13.1	1.1
12/27e	16,333.0	11,743.0	13.14	1.80	12.8	1.1

Source: LSEG Data & Analytics. Note: Historical PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items.

Price	**$167.92**
Market cap	**$85,098m**

Share price performance



Share details

Code	AEM:Agnico
Listing	TSX
Shares in issue	506.8m
Net cash as at end-June (including lease liabilities)	$3,143.6m

Business description

Founded in 1957, Agnico Eagle Mines is the third-largest gold producer in the world, with operations in Canada, Australia, Finland and Mexico and development assets in the US. Globally, it is recognised for its leading ESG practices and it has paid a cash dividend every year since 1983.

Bull points

- Peerless track record.
- Operations concentrated in low-risk jurisdictions.
- Locally hegemonic status aligns with evolving regional hub business plan.

Bear points

- Arctic weather conditions.
- Currency and fuel hedging contracts.
- Low costs reduce gold price gearing.

Analyst

Lord Ashbourne +44 (0)20 3077 5700

mining@edisongroup.com

Edison profile page

Agnico Eagle Mines is a research client of Edison Investment Research Limited

General disclaimer and copyright

This report has been commissioned by Agnico Eagle Mines and prepared and issued by Edison, in consideration of a fee payable by Agnico Eagle Mines. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or sol icitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom