Company's reclamation provisions by applying updated expected cash flows and assumptions at March 31, 2019. Agnico Eagle's net income taxes payable position of $0.9 million at December 31, 2018 was reduced during the first quarter of 2019 by payments to tax authorities in excess of the year to date current tax provision, resulting in a net income taxes recoverable position of $16.5 million at March 31, 2019.

Fair Value of Derivative Financial Instruments

The Company occasionally enters into contracts to limit the risk associated with decreased by-product metal prices, increased foreign currency costs (including capital expenditures) and input costs. The contracts act as economic hedges of underlying exposures and are not held for speculative purposes. Agnico Eagle does not use complex derivative contracts to hedge exposures. The fair value of the Company's derivative financial instruments is outlined in the financial instruments note to the condensed interim consolidated financial statements.

Results of Operations

Agnico Eagle reported net income of $37.0 million, or $0.16 per share, in the first quarter of 2019 compared with net income of $44.9 million, or $0.19 per share, in the first quarter of 2018. Agnico Eagle reported adjusted net income of $32.0 million, or $0.14 per share, in the first quarter of 2019 compared with adjusted net income of $34.2 million, or $0.15 per share, in the first quarter of 2018. For a reconciliation of adjusted net income to net income as presented in the condensed interim consolidated statements of income in accordance with IFRS, see *Non-GAAP Financial Performance Measures* in this MD&A.

In the first quarter of 2019, the operating margin (revenues from mining operations less production costs) of $255.3 million decreased compared to $283.1 million in the first quarter of 2018 primarily due to a 8.0% decrease in revenues from mining operations as a result of a 3.5% decrease in the sales volume of gold and a 2.2% lower realized price on gold between periods. Gold production increased to 398,217 ounces in the first quarter of 2019 compared with 389,278 ounces in the first quarter of 2018 primarily due to the contributions of gold production from the Meliadine mine project and the LaRonde Zone 5 mine, partially offset by a decrease in gold production from the Meadowbank mine resulting from a 24.4% decrease in ore tonnes processed as the mine transitions to the Amaruq satellite deposit in the second half of 2019. Cash provided by operating activities amounted to $148.7 million in the first quarter of 2019 compared with $207.7 million in the first quarter of 2018. Total weighted average cash costs per ounce of gold produced amounted to $623 on a by-product basis and $704 on a co-product basis in the first quarter of 2019 compared with $648 on a by-product basis and $733 on a co-product basis in the first quarter of 2018. For a reconciliation of total cash costs per ounce of gold produced on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues) to production costs as presented in the condensed interim consolidated statements of income in accordance with IFRS, see *Non-GAAP Financial Performance Measures* in this MD&A.

The table below sets out variances in the key drivers of net income for the three months ended March 31, 2019 compared with the three months ended March 31, 2018:

(millions of United States dollars)	Three Months Ended March 31, 2019 vs. Three Months Ended March 31, 2018
Decrease in gold revenue	$(34.6)
Decrease in silver revenue	(5.1)
Decrease in net copper revenue	(3.7)
Decrease in net zinc revenue	(2.8)
Decrease in production costs due to effects of foreign currencies	13.5
Decrease in production costs	4.9
Decrease in exploration and corporate development expenses	4.8
Decrease in amortization of property, plant and mine development	6.1
Decrease in general and administrative expenses	4.4
Increase in finance costs	(4.0)
Change in gain on derivative financial instruments	8.5
Decrease in environmental remediation costs	0.1
Change in non-cash foreign currency translation	(5.7)
Decrease in income and mining taxes	8.9
Other	(3.2)
Total net income variance	$ (7.9)

Three Months Ended March 31, 2019 vs. Three Months Ended March 31, 2018

Revenues from mining operations decreased to $532.2 million in the first quarter of 2019 compared with $578.4 million in the first quarter of 2018 primarily due to a 3.5% decrease in the sales volume of gold and a 2.2% lower realized price of gold between periods.

Production costs were $276.9 million in the first quarter of 2019, a 6.2% decrease compared with $295.3 million in the first quarter of 2018 primarily due to a decrease in the open pit mining costs at the Meadowbank mine as the mine transitions to the Amaruq satellite deposit in the second half of 2019 and the weakening of the Canadian dollar, Euro and Mexican peso relative to the US dollar between periods.

Weighted average total cash costs per ounce of gold produced decreased to $623 on a by-product basis and $704 on a co-product basis in the first quarter of 2019 compared with $648 on a by-product basis and $733 on a co-product basis in the first quarter of 2018 primarily due to decreased open pit mining costs at the Meadowbank mine as the mine transitions to the Amaruq satellite deposit in the second half of 2019, lower costs at the Pinos Altos mine and the weakening of the Canadian dollar, Euro and Mexican peso relative to the US dollar between periods. For a reconciliation of total cash costs per ounce of gold produced on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues) to production costs as presented in the condensed interim consolidated statements of income in accordance with IFRS, see *Non-GAAP Financial Performance Measures* in this MD&A.

Exploration and corporate development expenses decreased to $25.5 million in the first quarter of 2019 compared with $30.2 million in the first quarter of 2018 primarily due to less exploration drilling at the Amaruq satellite project.

Amortization of property, plant and mine development decreased by $6.1 million to $128.2 million between the first quarter of 2018 and the first quarter of 2019 primarily due to an increase in the proven and probable mineral reserves at the LaRonde, Kittila and Meadowbank mines.

General and administrative expense decreased to $29.1 million during the first quarter of 2019 compared with $33.5 million during the first quarter of 2018 primarily due to decreased compensation and benefits expenses between periods.

During the first quarter of 2019, there was a non-cash foreign currency translation loss of $2.2 million attributable to a strengthening of the Canadian dollar and Mexican peso relative to the US dollar at March 31, 2019 compared to December 31, 2018 on the Company's net monetary liabilities denominated in foreign currencies. A non-cash foreign currency translation gain of $3.5 million was recorded during the comparative first quarter of 2018.

In the first quarter of 2019, the Company recorded income and mining taxes expense of $15.5 million on income before income and mining taxes of $52.5 million, resulting in an effective tax rate of 29.5%. In the first quarter of 2018, the Company recorded income and mining taxes expense of $24.4 million on income before income and mining taxes of $69.4 million, resulting in an effective tax rate of 35.2%. The decrease in the effective tax rate between the first quarter of 2018 and the first quarter of 2019 is primarily due to a decrease in permanent differences and foreign exchange rate movements.

There are a number of factors that can significantly impact the Company's effective tax rate including varying rates in different jurisdictions, the non-recognition of certain tax assets, mining allowances, foreign currency exchange rate movements, changes in tax laws, the impact of specific transactions and assessments and the relative distribution of income in the Company's operating jurisdictions. As a result of these factors, the Company's effective tax rate is expected to fluctuate significantly in future periods.

LaRonde mine

At the LaRonde mine, gold production decreased by 13.8% to 77,433 ounces in the first quarter of 2019 compared with 89,785 ounces in the first quarter of 2018 primarily due to lower gold grade ore processed from the mining sequence. Production costs at the LaRonde mine were $61.8 million in the first quarter of 2019, a decrease of 4.8% compared with production costs of $64.9 million in the first quarter of 2018 driven primarily by decreased mill production costs and the weakening of the Canadian dollar relative to the US dollar between periods.

LaRonde Zone 5 mine

At the LaRonde Zone 5 mine, gold production was 12,988 ounces in the first quarter of 2019. Production costs at the LaRonde Zone 5 mine were $5.7 million in the first quarter of 2019. As the LaRonde Zone 5 mine achieved commercial production in June 2018, there is no comparable period in the first quarter of 2018.

Lapa mine

Mining and processing operations at Lapa ended in December 2018. Closure activities for the underground infrastructure were completed in the first quarter of 2019. Surface work is currently ongoing by the site reclamation team.

Goldex mine

At the Goldex mine, gold production increased by 23.4% to 34,454 ounces in the first quarter of 2019 compared with 27,924 ounces in the first quarter of 2018 primarily due to higher gold grade ore processed. Production costs at the Goldex mine were $19.1 million in the first quarter of 2019, an increase of 2.6% compared with production costs of $18.6 million in the first quarter of 2018 driven primarily by slightly higher re-handling costs, partially offset by the weakening of the Canadian dollar relative to the US dollar between periods.

Meadowbank mine

At the Meadowbank mine, gold production decreased by 29.2% to 43,502 ounces in the first quarter of 2019 compared with 61,447 ounces in the first quarter of 2018 primarily due to anticipated lower gold grade ore processed and decreased mill throughput as the mine transitions to the Amaruq satellite deposit in the second half of 2019. Production costs at the Meadowbank mine were $41.9 million in the first quarter of 2019, a decrease of 31.9% compared with production costs of $61.5 million in the first quarter of 2018 driven primarily by a decrease in the open pit mining, the timing of inventory sales and the weakening of the Canadian dollar relative to the US dollar between periods, partially offset by higher re-handling costs.

Canadian Malartic mine

Agnico Eagle and Yamana Gold Inc. ("Yamana") jointly acquired 100% of Osisko Mining Corporation ("Osisko") on June 16, 2014 pursuant to a court-approved plan of arrangement under the Canada Business Corporations Act (the "Osisko Arrangement"). As a result of the Osisko Arrangement, Agnico Eagle and Yamana each indirectly own 50% of Osisko and Canadian Malartic General Partnership ("CMGP"), a general partnership (the "Partnership"), which now holds the Canadian Malartic mine in northwestern Quebec.

At the Canadian Malartic mine, attributable gold production was virtually unchanged between 83,670 ounces in the first quarter of 2019 and 83,403 ounces in the first quarter of 2018. Attributable production costs at the Canadian Malartic mine were $49.8 million in the first quarter of 2019, an increase of 5.2% compared with production costs of $47.3 million in the first quarter of 2018 primarily due to a lower capitalized deferred stripping costs, partially offset by lower re-handling costs and the weakening of the Canadian dollar relative to the US dollar between periods.

On August 2, 2016, CMGP was served with a class action lawsuit filed in the Superior Court of Quebec with respect to allegations involving the Canadian Malartic mine. The complaint was in respect of "neighbourhood annoyances" arising from dust, noise, vibrations and blasts at the mine. The plaintiffs are seeking damages in an unspecified amount as well as punitive damages in the amount of C$20 million. The class action was certified in May 2017. In November 2017, a declaratory judgment was issued allowing the Partnership to settle individually with class members for 2017 under its Good Neighbor Guide (the "Guide"). In September 2018, the Superior Court introduced an annual revision of the ending date of the class action period and a mechanism for the partial exclusion of class members, allowing the residents to individually settle for a specific period (usually a calendar year) and to opt-out from the class action for such specific period. Both of these judgments were confirmed by the Court of Appeal and the class members will thus continue to have the option to benefit from the Guide. In January 2018, a judgment was rendered in favor of the Partnership, resulting in the removal from the class action of the pre-transaction period, spanning from August 2013 to June 16, 2014, during which the Canadian Malartic mine was not operated by the Partnership. The plaintiffs did not seek leave to appeal this decision and will rather add new allegations in an attempt to recapture the pre-transaction period. The Company and the Partnership will take all necessary steps to defend themselves from this lawsuit.

On August 15, 2016, the Partnership received notice of an application for injunction relating to the Canadian Malartic mine, which had been filed under the *Environment Quality Act* (Quebec). A hearing related to an interlocutory injunction was completed on March 17, 2017 and a decision of the Superior Court of Quebec dismissed the injunction. An application for permanent injunction is currently pending. The Company and the Partnership have reviewed the injunction request, consider the request without merit and will take all reasonable steps to defend against this injunction. These measures include a motion for the dismissal of the application for injunction, which has been filed and will be heard at a date that has yet to be determined. While at this time the potential impact of the injunction cannot be definitively determined, the Company expects that if the injunction were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in production.

On June 1, 2017, the Partnership was served with an application for judicial review to obtain the annulment of a governmental decree authorizing expansion of the Canadian Malartic mine. The Partnership is an impleaded party in the proceedings. The Company and the Partnership have reviewed the application for judicial review, consider the application without merit and will take all reasonable steps to defend against this application. The hearing on the merits occurred in October 2018, but no judgment has been rendered. While the Company believes it is highly unlikely that the annulment will be granted, the Company expects that if the annulment were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in anticipated future production.

Kittila mine

At the Kittila mine, gold production increased by 2.5% to 49,336 ounces in the first quarter of 2019 compared with 48,118 ounces in the first quarter of 2018 primarily due to higher gold grade ore processed. Production costs at the Kittila mine were $38.6 million in the first quarter of 2019, a decrease of 9.6% compared with production costs of $42.7 million in the first quarter of 2018 driven primarily by a decrease in re-handling costs and the weakening of the Euro relative to the US dollar between periods.

Pinos Altos mine

At the Pinos Altos mine, gold production increased by 2.1% to 42,730 ounces in the first quarter of 2019 compared with 41,836 ounces in the first quarter of 2018 primarily due to higher gold grade ore processed at the mill. Production costs at the Pinos Altos mine were $29.7 million in the first quarter of 2019, a decrease of 14.5% compared with production costs of $34.7 million in the first quarter of 2018 driven primarily by a decrease in open pit mining costs as the Pinos Altos mine transitioned into a predominantly underground mining operation towards the end of 2018, the timing of inventory sales and the weakening of the Mexican peso relative to the US dollar between periods.

Creston Mascota mine

At the Creston Mascota mine, gold production increased by 12.9% to 13,529 ounces in the first quarter of 2019 compared with 11,988 ounces in the first quarter of 2018 primarily due to higher gold grade processed on the heap leach and optimizations made to the heap leaching process, partially offset by lower tonnes processed at the heap leach. Production costs at the Creston Mascota mine were $9.8 million in the first quarter of 2019, an increase of 1.9% compared with production costs of $9.7 million in the first quarter of 2018 driven primarily by the timing of inventory sales, partially offset by the weakening of the Mexican peso relative to the US dollar between periods.

La India mine

At the La India mine, gold production was virtually unchanged between 22,988 ounces in the first quarter of 2019 and 23,055 ounces in the first quarter of 2018. Production costs at the La India mine were $17.7 million in the first quarter of 2019, an increase of 15.2% compared with production costs of $15.4 million in the first quarter of 2018 driven primarily by higher chemicals and reagents costs, the timing of inventory sales, partially offset by the weakening of the Mexican peso relative to the US dollar between periods.

Liquidity and Capital Resources

As at March 31, 2019, the Company's cash and cash equivalents and short-term investments totaled $196.5 million compared with $307.9 million as at December 31, 2018. The Company's policy is to invest excess cash in highly liquid investments of the highest credit quality to reduce risks associated with these investments. Such investments with remaining maturities of greater than three months and less than one year at the time of purchase are classified as short-term investments. Decisions regarding the length of maturities are based on cash flow requirements, rates of return and various other factors.

Working capital (current assets less current liabilities) decreased to $633.1 million as at March 31, 2019 compared with $711.0 million as at December 31, 2018.

Subject to various risks and uncertainties, the Company believes it will generate sufficient cash flow from operations and has adequate cash and debt facilities available to finance its current operations, contractual obligations and planned capital expenditure and exploration programs.

Operating Activities

Cash provided by operating activities decreased to $148.7 million in the first quarter of 2019 compared with $207.7 million in the first quarter of 2018 primarily due to a 3.5% decrease in payable gold ounces sold, lower realized gold prices and less favourable working capital changes between periods.

Investing Activities

Cash used in investing activities decreased to $227.6 million in the first quarter of 2019 compared with $354.7 million in the first quarter of 2018 primarily due to a $162.5 million decrease in acquisitions, partially offset by a $20.5 million increase in the purchase of investments and a $17.3 million increase in capital expenditures between periods. The increase in capital expenditures between periods is mainly attributable to construction expenditures incurred in the first quarter of 2019 related to the Amaruq satellite project.

In the first quarter of 2019, the Company purchased $25.0 million in equity securities and other investments compared with $4.5 million in the first quarter of 2018. The Company's equity securities and other investments consist primarily of investments in common shares and financial instruments of entities in the mining industry.

Financing Activities

Cash used in financing activities of $33.5 million in the first quarter of 2019 was comparable with cash used in financing activities of $34.3 million in the first quarter of 2018 primarily due to a $3.4 million increase in proceeds from stock option plan exercises, partially offset by a $2.8 million increase in dividend payments between periods.

The Company issued common shares for net proceeds of $19.5 million in the first quarter of 2019 and $15.6 million in the first quarter of 2018 attributable to employee stock option plan exercises, issuances under the incentive share purchase plan and the dividend reinvestment plan.

On February 14, 2019, Agnico Eagle declared a quarterly cash dividend of $0.125 per common share paid on March 15, 2019 to holders of record of the common shares of the Company on March 1, 2019. Agnico Eagle has declared a cash dividend every year since 1983. In the first quarter of 2019, the Company paid dividends of $25.5 million, an increase of $2.8 million compared to $22.6 million paid in the first quarter of 2018. Although the Company expects to continue paying dividends, future dividends will be at the discretion of the Board and will be subject to factors such as income, financial condition and capital requirements.

Repayments of lease obligations of $3.4 million in the first quarter of 2019 increased compared to $0.9 million in the first quarter of 2018 due to the adoption of IFRS 16 on January 1, 2019. Prior to the adoption of IFRS 16, leases were classified as either finance or operating leases. Payments made under operating leases were recognized as an expense in the statement of income and through operating activities in the statement of cash flows. Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases where it is the lessee, except for short-term leases and leases of low-value assets. Leases are recognized on the balance sheet as a right-of-use asset and a corresponding liability. The principal amount of lease payments in each period are recorded in financing activities in the statement of cash flows. For more information please see Note 10 in the Company's condensed interim consolidated financial statements.

On December 14, 2018, the Company amended its $1.2 billion Credit Facility (the "Credit Facility") to extend the maturity date from June 22, 2022 to June 22, 2023. Credit Facility availability is reduced by outstanding letters of credit. As at March 31, 2019, $1,200.0 million was available for future drawdown under the Credit Facility.

On June 29, 2016, the Company entered into a standby letter of credit facility with a financial institution providing for a C$100.0 million uncommitted letter of credit facility (the "Third LC Facility"). Letters of credit issued under the Third LC Facility may be used to support the reclamation obligations or non-financial or performance obligations of the Company or its subsidiaries. The obligations of the Company under the Third LC Facility are guaranteed by certain of its subsidiaries. As at March 31, 2019, the aggregate undrawn face amount of letters of credit under the Third LC Facility amounted to $38.5 million.

On September 23, 2015, the Company entered into a standby letter of credit facility with a financial institution providing for a C$150.0 million uncommitted letter of credit facility (as amended, the "Second LC Facility"). The Second LC Facility may be used by the Company to support the reclamation obligations of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest or the performance obligations (other than with respect to indebtedness for borrowed money) of the Company, its subsidiaries or any entity in which the Company has a direct or indirect interest that are not directly related to reclamation obligations. Payment and performance of the Company's obligations under the Second LC Facility are supported by an account performance security guarantee issued by Export Development Canada in favour of the lender. As at March 31, 2019, the aggregate undrawn face amount of letters of credit under the Second LC Facility amounted to $89.5 million.

On July 31, 2015, the Company amended its credit agreement with another financial institution relating to its uncommitted letter of credit facility (as amended, the "First LC Facility"). Effective September 27, 2016, the amount available under the First LC Facility was increased to C$350.0 million. The obligations of the Company under the First LC Facility are guaranteed by certain of its subsidiaries. The First LC Facility may be used to support the reclamation obligations or non-financial or performance obligations of the Company or its subsidiaries. As at March 31, 2019, the aggregate undrawn face amount of letters of credit under the First LC Facility amount to $187.0 million.

The Company was in compliance with all covenants contained in the Credit Facility, First LC Facility, Second LC Facility, Third LC Facility and the $1,735.0 million guaranteed senior unsecured notes as at March 31, 2019.

Risk Profile

The Company is subject to significant risks, including but not limited to fluctuations in commodity prices, foreign exchange rates and other risks due to the inherent nature of the business of exploration, development and mining of properties with precious metals. Changes in economic conditions and volatile financial markets may have a significant impact on Agnico Eagle's cost and availability of financing and overall liquidity. The volatility in gold, silver, zinc and copper prices directly affects Agnico Eagle's revenues, earnings and cash flow. Volatile energy, commodity and consumables prices and currency exchange rates impact production costs. For a more comprehensive discussion of these inherent risks, see "Risk Factors" in our Form 40-F/Annual Information Form for the year ended December 31, 2018 on file with the SEC and Canadian provincial securities regulatory authorities.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P").

ICFR is a framework designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has used the *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) in order to assess the effectiveness of the Company's ICFR.

DC&P form a broader framework designed to provide reasonable assurance that information required to be disclosed by the Company in its annual and interim filings and other reports filed under securities legislation is recorded, processed, summarized and reported within the time frame specified in securities legislation and includes controls and procedures designed to ensure that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation is accumulated and communicated to the Company's management to allow timely decisions regarding required disclosure.

Together, the ICFR and DC&P frameworks provide internal control over financial reporting and disclosure. The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information, which is required to be disclosed in the Company's annual and interim filings and other reports filed under securities legislation, is accumulated and communicated in a timely fashion. Due to their inherent limitations, the Company acknowledges that, no matter how well designed, ICFR and DC&P can provide only reasonable assurance of achieving the desired control objectives and as such may not prevent or detect all misstatements. Further, the effectiveness of ICFR is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

There have been no significant changes in the Company's internal control over financial reporting in the first quarter of 2019 that have materially affected, or are reasonably likely to materially affect, the reliability of financial reporting.

Non-GAAP Financial Performance Measures

This MD&A presents certain financial performance measures, including adjusted net income, total cash costs per ounce of gold produced (on both a by-product and co-product basis), minesite costs per tonne and all-in sustaining costs per ounce of gold produced (on both a by-product and co-product basis), that are not recognized measures under IFRS. This data may not be comparable to data presented by other gold producers. Non-GAAP financial performance measures should be considered together with other data prepared in accordance with IFRS.

Adjusted Net Income

Adjusted net income is not a recognized measure under IFRS and this data may not be comparable to data presented by other gold producers. This measure is calculated by adjusting net income as recorded in the condensed interim consolidated statements of income for non-recurring, unusual and other items. The Company believes that this generally accepted industry measure allows the evaluation of the results of continuing operations and is useful in making comparisons between periods. Adjusted net income is intended to provide investors with information about the Company's continuing income generating capabilities. Management uses this measure to monitor and plan for the operating performance of the Company in conjunction with other data prepared in accordance with IFRS. The Company does not exclude stock based compensation expense in its calculation of adjusted net income. Stock option expense for the three months ended March 31, 2019 was \$6.2 million (three months ended March 31, 2018 — \$7.8 million).

	Three Months Ended March 31,	
(thousands of United States dollars)	2019	2018
Net income for the period	$37,032	$44,930
Foreign currency translation loss (gain)	2,206	(3,485)
Gain on derivative financial instruments	(9,816)	(1,306)
Income and mining taxes adjustments[(i)]	(786)	(6,464)
Other[(ii)]	3,335	534
Adjusted net income for the period	$31,971	$34,209
Net income per share — basic	$ 0.16	$ 0.19
Net income per share — diluted	$ 0.16	$ 0.19
Adjusted net income per share — basic	$ 0.14	$ 0.15
Adjusted net income per share — diluted	$ 0.14	$ 0.15

Notes:

(i) Income and mining tax adjustments reflect foreign currency translation recorded to the income and mining taxes expense, recognition of previously unrecognized capital losses, the result of income and mining tax audits, impact of tax law changes and reflective adjustments to prior period operating results.

(ii) The Company includes certain adjustments in "Other" to the extent that management believes that these items are not reflective of the underlying performance of the Company's core operating business. Examples of items historically included in "Other" include changes in estimates of asset retirement obligations at closed sites and gains and losses on the disposal of assets.

Total Cash Costs per Ounce of Gold Produced and Minesite Costs per Tonne

The Company believes that total cash costs per ounce of gold produced and minesite costs per tonne are realistic indicators of operating performance and facilitate period over period comparisons. However, both of these non-GAAP generally accepted industry measures should be considered together with other data prepared in accordance with IFRS. These measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

Total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). Total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the condensed interim consolidated statements of income for by-product revenues, inventory production costs, smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. Total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as total cash costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges and other adjustments associated with the production and sale of by-product metals. Total cash costs per ounce of gold produced is intended to provide information about the cash generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash cost per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs per ounce of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne (discussed below) as well as other data prepared in accordance with IFRS. Management also performs sensitivity analysis in order to quantify the effects of fluctuating metal prices and exchange rates.

Agnico Eagle's primary business is gold production and the focus of its current operations and future development is on maximizing returns from gold production, with other metal production being incidental to the gold production process. Accordingly, all metals other than gold are considered by-products.

Total cash costs per ounce of gold produced is reported on a by-product basis because (i) the majority of the Company's revenues are gold revenues, (ii) the Company mines ore, which contains gold, silver, zinc, copper and other metals, (iii) it is not possible to specifically assign all costs to revenues from the gold, silver, zinc, copper and other metals the Company produces, and (iv) it is a method used by management and the Board to monitor operations.

Minesite costs per tonne is calculated by adjusting production costs as shown in the condensed interim consolidated statements of income for inventory production costs and other adjustments and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced measure can be impacted by fluctuations in by-product metal prices and exchange rates, management believes that the minesite costs per tonne measure provides additional information regarding the performance of mining operations. Management also uses minesite costs per tonne to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable, the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in production levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with IFRS.

The following tables set out a reconciliation of total cash costs per ounce of gold produced (on both a by-product basis and co-product basis) and minesite costs per tonne to production costs, exclusive of amortization, as presented in the condensed interim consolidated statements of income in accordance with IFRS.

Total Production Costs by Mine

(thousands of United States dollars)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
LaRonde mine	$ 61,803	$ 64,936
LaRonde Zone 5 mine	5,675	—
Lapa mine	2,844	528
Goldex mine	19,074	18,584
Meadowbank mine	41,905	61,490
Canadian Malartic mine(i)	49,759	47,320
Kittila mine	38,600	42,716
Pinos Altos mine	29,658	34,699
Creston Mascota mine	9,836	9,651
La India mine	17,739	15,402
Production costs per the condensed interim consolidated statements of income	$276,893	$295,326

Reconciliation of Production Costs to Total Cash Costs per Ounce of Gold Produced(ii) by Mine and Reconciliation of Production Costs to Minesite Costs per Tonne(iii) by Mine

(thousands of United States dollars, except as noted)

LaRonde mine Per Ounce of Gold Produced(ii)	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		77,433		89,785
Production costs	$ 61,803	$ 798	$ 64,936	$ 723
Inventory and other adjustments(iv)	(7,212)	(93)	(7,531)	(84)
Cash operating costs (co-product basis)	$ 54,591	$ 705	$ 57,405	$ 639
By-product metal revenues	(16,792)	(217)	(19,060)	(212)
Cash operating costs (by-product basis)	$ 37,799	$ 488	$ 38,345	$ 427

LaRonde mine Per Tonne(iii)	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore milled (thousands of tonnes)		547		531
Production costs	$ 61,803	$ 113	$ 64,936	$ 122
Production costs (C$)	C$ 82,055	C$ 150	C$ 82,132	C$ 155
Inventory and other adjustments (C$)(v)	(17,655)	(32)	(17,985)	(34)
Minesite operating costs (C$)	C$ 64,400	C$ 118	C$ 64,147	C$ 121

LaRonde Zone 5 mine Per Ounce of Gold Produced(ii)	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		12,988		—
Production costs	$ 5,675	$ 437	$ —	$ —
Inventory and other adjustments(iv)	3,113	240	—	—
Cash operating costs (co-product basis)	$ 8,788	$ 677	$ —	$ —
By-product metal revenues	(34)	(3)	—	—
Cash operating costs (by-product basis)	$ 8,754	$ 674	$ —	$ —

LaRonde Zone 5 mine Per Tonne(iii)	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore milled (thousands of tonnes)		181		—
Production costs	$ 5,675	$ 31	$ —	$ —
Production costs (C$)	C$ 7,513	C$ 42	C$ —	C$ —
Inventory and other adjustments (C$)(v)	4,158	22	—	—
Minesite operating costs (C$)	C$ 11,671	C$ 64	C$ —	C$ —

Lapa mine Per Ounce of Gold Produced(ii)(vi)	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		—		1,722
Production costs	$ 2,844	$ —	$ 528	$ 307
Inventory and other adjustments(iv)	(2,844)	—	1,295	752
Cash operating costs (co-product basis)	$ —	$ —	$ 1,823	$ 1,059
By-product metal revenues	—	—	(5)	(3)
Cash operating costs (by-product basis)	$ —	$ —	$ 1,818	$ 1,056

Lapa mine Per Tonne(iii)	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore milled (thousands of tonnes)		—		17
Production costs	$ 2,844	$ —	$ 528	$ 31
Production costs (C$)	C$ 3,723	C$ —	C$ 675	C$ 40
Inventory and other adjustments (C$)(v)	(3,723)	—	1,681	96
Minesite operating costs (C$)	C$ —	C$ —	C$ 2,356	C$ 136

Goldex mine Per Ounce of Gold Produced(ii)	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		34,454		27,924
Production costs	$ 19,074	$ 554	$ 18,584	$ 666
Inventory and other adjustments(iv)	149	4	237	8
Cash operating costs (co-product basis)	$ 19,223	$ 558	$ 18,821	$ 674
By-product metal revenues	(6)	—	(4)	—
Cash operating costs (by-product basis)	$ 19,217	$ 558	$ 18,817	$ 674

Goldex mine Per Tonne(iii)	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore milled (thousands of tonnes)		655		658
Production costs	$ 19,074	$ 29	$ 18,584	$ 28
Production costs (C$)	C$ 25,315	C$ 39	C$ 23,537	C$ 36
Inventory and other adjustments (C$)(v)	245	—	402	—
Minesite operating costs (C$)	C$ 25,560	C$ 39	C$ 23,939	C$ 36

Meadowbank mine Per Ounce of Gold Produced(ii)	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		43,502		61,447
Production costs	$ 41,905	$ 963	$ 61,490	$ 1,001
Inventory and other adjustments(iv)	(1,965)	(45)	(3,821)	(63)
Cash operating costs (co-product basis)	$ 39,940	$ 918	$ 57,669	$ 938
By-product metal revenues	(353)	(8)	(974)	(15)
Cash operating costs (by-product basis)	$ 39,587	$ 910	$ 56,695	$ 923

Meadowbank mine Per Tonne(iii)	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore milled (thousands of tonnes)		628		830
Production costs	$ 41,905	$ 67	$ 61,490	$ 74
Production costs (C$)	C$ 55,396	C$ 88	C$ 77,661	C$ 94
Inventory and other adjustments (C$)(v)	(1,104)	(2)	(4,857)	(6)
Minesite operating costs (C$)	C$ 54,292	C$ 86	C$ 72,804	C$ 88

Canadian Malartic mine Per Ounce of Gold Produced[(i)(ii)]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		83,670		83,403
Production costs	$ 49,759	$ 595	$ 47,320	$ 567
Inventory and other adjustments[(iv)]	(373)	(5)	1,588	19
Cash operating costs (co-product basis)	$ 49,386	$ 590	$ 48,908	$ 586
By-product metal revenues	(1,556)	(18)	(1,668)	(20)
Cash operating costs (by-product basis)	$ 47,830	$ 572	$ 47,240	$ 566

Canadian Malartic mine Per Tonne[(i)(iii)]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore milled (thousands of tonnes)		2,517		2,510
Production costs	$ 49,759	$ 20	$ 47,320	$ 19
Production costs (C$)	C$ 65,564	C$ 26	C$ 60,502	C$ 24
Inventory and other adjustments (C$)[(v)]	(484)	(1)	2,042	1
Minesite operating costs (C$)	C$ 65,080	C$ 25	C$ 62,544	C$ 25

Kittila mine Per Ounce of Gold Produced[(ii)]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		49,336		48,118
Production costs	$ 38,600	$ 782	$ 42,716	$ 888
Inventory and other adjustments[(iv)]	(282)	(5)	(224)	(5)
Cash operating costs (co-product basis)	$ 38,318	$ 777	$ 42,492	$ 883
By-product metal revenues	(76)	(2)	(71)	(1)
Cash operating costs (by-product basis)	$ 38,242	$ 775	$ 42,421	$ 882

Kittila mine Per Tonne[(iii)]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore milled (thousands of tonnes)		456		468
Production costs	$ 38,600	$ 85	$ 42,716	$ 91
Production costs (€)	€ 34,022	€ 75	€ 34,984	€ 75
Inventory and other adjustments (€)[(v)]	(301)	(1)	(482)	(1)
Minesite operating costs (€)	€ 33,721	€ 74	€ 34,502	€ 74

Pinos Altos mine Per Ounce of Gold Produced[(ii)]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		42,730		41,836
Production costs	$ 29,658	$ 694	$ 34,699	$ 829
Inventory and other adjustments[(iv)]	283	7	(2,987)	(71)
Cash operating costs (co-product basis)	$ 29,941	$ 701	$ 31,712	$ 758
By-product metal revenues	(8,851)	(207)	(9,165)	(219)
Cash operating costs (by-product basis)	$ 21,090	$ 494	$ 22,547	$ 539

Pinos Altos mine Per Tonne[(iii)]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore processed (thousands of tonnes)		478		519
Production costs	$ 29,658	$ 62	$ 34,699	$ 67
Inventory and other adjustments[(v)]	(22)	—	(2,974)	(6)
Minesite operating costs	$ 29,636	$ 62	$ 31,725	$ 61

Creston Mascota mine Per Ounce of Gold Produced[(ii)]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		13,529		11,988
Production costs	$ 9,836	$ 727	$ 9,651	$ 805
Inventory and other adjustments[(iv)]	(402)	(30)	717	60
Cash operating costs (co-product basis)	$ 9,434	$ 697	$ 10,368	$ 865
By-product metal revenues	(2,330)	(172)	(1,526)	(127)
Cash operating costs (by-product basis)	$ 7,104	$ 525	$ 8,842	$ 738

Creston Mascota mine Per Tonne[(iii)]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore processed (thousands of tonnes)		361		475
Production costs	$ 9,836	$ 27	$ 9,651	$ 20
Inventory and other adjustments[(v)]	(702)	(2)	629	2
Minesite operating costs	$ 9,134	$ 25	$ 10,280	$ 22

La India mine Per Ounce of Gold Produced[ii]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per ounce)	(thousands)	($ per ounce)
Gold production (ounces)		22,988		23,055
Production costs	$ 17,739	$ 772	$ 15,402	$ 668
Inventory and other adjustments[iv]	479	21	742	32
Cash operating costs (co-product basis)	$ 18,218	$ 793	$ 16,144	$ 700
By-product metal revenues	(759)	(34)	(754)	(32)
Cash operating costs (by-product basis)	$ 17,459	$ 759	$ 15,390	$ 668

La India mine Per Tonne[iii]	**Three Months Ended March 31, 2019**		**Three Months Ended March 31, 2018**	
	(thousands)	($ per tonne)	(thousands)	($ per tonne)
Tonnes of ore processed (thousands of tonnes)		1,451		1,695
Production costs	$ 17,739	$ 12	$ 15,402	$ 9
Inventory and other adjustments[v]	(388)	—	460	—
Minesite operating costs	$ 17,351	$ 12	$ 15,862	$ 9

Notes:

(i) The information set out in this table reflects the Company's 50% interest in the Canadian Malartic mine.

(ii) Total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. Total cash costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). Total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the condensed interim consolidated statements of income for by-product metal revenues, inventory production costs, smelting, refining and marketing charges, other adjustments and then dividing by the number of ounces of gold produced. Total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as total cash costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges and other adjustments associated with the production and sale of by-product metals. The Company believes that these generally accepted industry measures provide a realistic indication of operating performance and provide useful comparison points between periods. Total cash costs per ounce of gold produced is intended to provide information about the cash generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. Management also performs sensitivity analyses in order to quantify the effects of fluctuating metal prices and exchange rates.

(iii) Minesite costs per tonne is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. This measure is calculated by adjusting production costs as shown in the condensed interim consolidated statements of income for inventory production costs, other adjustments and then dividing by tonnes of ore processed. As the total cash costs per ounce of gold produced measure can be affected by fluctuations in by-product metal prices and exchange rates, management believes that the minesite costs per tonne measure provides additional information regarding the performance of mining operations, eliminating the impact of varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, in order to be economically viable the estimated revenue on a per tonne basis must be in excess of the minesite costs per tonne. Management is aware that this per tonne measure of performance can be impacted by fluctuations in processing levels and compensates for this inherent limitation by using this measure in conjunction with production costs prepared in accordance with IFRS.

(iv) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon the transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.

(v) This inventory and other adjustment reflect production costs associated with the portion of production still in inventory and smelting, refining and marketing charges associated with production.

(vi) The Lapa mine's per ounce of gold produced calculation for the three months ended March 31, 2019 excludes 5 ounces of payable gold production recovered as a result of final refining reconciliation.

All-in Sustaining Costs per Ounce of Gold Produced

The World Gold Council ("WGC") is a non-regulatory market development organization for the gold industry. Although the WGC is not a mining industry regulatory organization, it has worked closely with its member companies to develop relevant non-GAAP measures. The Company follows the guidance on all-in sustaining costs released by the WGC in November 2018. Adoption of the all-in sustaining cost metric is voluntary and all-in sustaining costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. The Company believes that this measure provides helpful information about operating performance. However, this non-GAAP measure should be considered together with other data prepared in accordance with IFRS as it is not necessarily indicative of operating costs or cash flow measures prepared in accordance with IFRS.

All-in sustaining costs per ounce of gold produced is reported on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). All-in sustaining costs per ounce of gold produced on a by-product basis is calculated as the aggregate of total cash costs per ounce of gold produced on a by-product basis and sustaining capital expenditures (including capitalized exploration), general and administrative expenses (including stock options), non-cash reclamation provision expense and sustaining leases per ounce of gold produced. All-in sustaining costs per ounce of gold produced on a co-product basis is calculated in the same manner as all-in sustaining costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made to total cash costs per ounce of gold produced. The calculation of all-in sustaining costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges associated with the production and sale of by-product metals.

The following table sets out a reconciliation of production costs to all-in sustaining costs per ounce of gold produced for the three months ended March 31, 2019 and March 31, 2018 on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues).

Reconciliation of Production Costs to All-in Sustaining Costs per Ounce of Gold Produced

(United States dollars per ounce of gold produced, except where noted)	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Production costs per the condensed interim consolidated statements of income (thousands of United States dollars)	$276,893	$295,326
Adjusted gold production (ounces)[(i)(ii)]	380,630	389,278
Production costs per ounce of adjusted gold production	$ 727	$ 759
Adjustments:		
Inventory and other adjustments[(iii)]	(23)	(26)
Total cash costs per ounce of gold produced (co-product basis)[(iv)]	$ 704	$ 733
By-product metal revenues	(81)	(85)
Total cash costs per ounce of gold produced (by-product basis)[(iv)]	$ 623	$ 648
Adjustments:		
Sustaining capital expenditures (including capitalized exploration)	128	150
General and administrative expenses (including stock options)	76	86
Non-cash reclamation provision, sustaining leases and other	9	5
All-in sustaining costs per ounce of gold produced (by-product basis)	$ 836	$ 889
By-product metal revenues	81	85
All-in sustaining costs per ounce of gold produced (co-product basis)	$ 917	$ 974

Notes:

(i) Adjusted gold production for the three months ended March 31, 2019 excludes 17,582 ounces of payable gold production at the Meliadine mine project which were produced prior to the achievement of commercial production.

(ii) Adjusted gold production for the three months ended March 31, 2019 excludes 5 ounces of payable gold production at the Lapa mine recovered as a result of final refining reconciliation.

(iii) Under the Company's revenue recognition policy, revenue from contracts with customers is recognized upon transfer of control over metals sold to the customer. As total cash costs per ounce of gold produced are calculated on a production basis, an inventory adjustment is made to reflect the portion of production not yet recognized as revenue. Other adjustments include the addition of smelting, refining and marketing charges to production costs.

(iv) Total cash costs per ounce of gold produced is not a recognized measure under IFRS and this data may not be comparable to data reported by other gold producers. Total cash costs per ounce of gold produced is presented on both a by-product basis (deducting by-product metal revenues from production costs) and co-product basis (without deducting by-product metal revenues). Total cash costs per ounce of gold produced on a by-product basis is calculated by adjusting production costs as recorded in the condensed interim consolidated statements of income for by-product metal revenues, inventory production costs or smelting, refining and marketing charges and other adjustments, and then dividing by the number of ounces of gold produced. Total cash costs per ounce of gold produced on a co-product basis is calculated in the same manner as total cash costs per ounce of gold produced on a by-product basis except that no adjustment for by-product metal revenues is made. Accordingly, the calculation of total cash costs per ounce of gold produced on a co-product basis does not reflect a reduction in production costs or smelting, refining and marketing charges and other adjustments associated with the production and sale of by-product metals. The Company believes that these generally accepted industry measures provide a realistic indication of operating performance and provide useful comparison points between periods. Total cash costs per ounce of gold produced is intended to provide information about the cash generating capabilities of the Company's mining operations. Management also uses these measures to monitor the performance of the Company's mining operations. As market prices for gold are quoted on a per ounce basis, using the total cash costs per ounce of gold produced on a by-product basis measure allows management to assess a mine's cash generating capabilities at various gold prices. Management is aware that these per ounce measures of performance can be affected by fluctuations in exchange rates and, in the case of total cash costs of gold produced on a by-product basis, by-product metal prices. Management compensates for these inherent limitations by using these measures in conjunction with minesite costs per tonne as well as other data prepared in accordance with IFRS. Management also performs sensitivity analysis in order to quantify the effects of fluctuating metal prices and exchange rates.