



September 28, 2021



### **Agnico Eagle and Kirkland Lake Gold Announce Merger of Equals**

**Toronto (September 28, 2021) – Agnico Eagle Mines Limited** (TSX:AEM, NYSE:AEM) (“**Agnico Eagle**” or the “**Company**”) and Kirkland Lake Gold Ltd. (TSX:KL, NYSE:KL, ASX:KLA) (“**Kirkland Lake Gold**”) announced today that they have entered into an agreement (the “**Merger Agreement**”) to combine in a merger of equals (the “**Merger**”), with the combined company to continue under the name “Agnico Eagle Mines Limited”. The Merger will establish the new Agnico Eagle as the gold industry’s highest-quality senior producer, with the lowest unit costs, highest margins, most favourable risk profile and industry-leading best practices in key areas of environmental, social and governance (“**ESG**”). Upon closing of the Merger, the Company is expected to have \$2.3 billion of available liquidity, a mineral reserve base of 48 million ounces of gold (969 million tonnes at 1.53 grams per tonne), which has doubled over the last 10 years, and an extensive pipeline of development and exploration projects to drive sustainable, low-risk growth.

The Merger will create a best-in-class gold mining company operating in one of the world’s leading gold regions, the Abitibi-Greenstone Belt of northeastern Ontario and northwestern Quebec (the “**Abitibi**”), with superior financial and operating metrics. Consolidation within the Abitibi will also provide the new Agnico Eagle with significant value creation opportunities through synergies and other business improvement initiatives. Additionally, the Company is established uniquely as the only gold producer in Nunavut and well positioned internationally with profitable and prospective assets in Australia, Finland, and Mexico.

The combination of Agnico Eagle and Kirkland Lake Gold combines each company’s strengths by bringing together two industry leaders in growing per share value in key metrics such as production, mineral reserves, cash flow and net asset value. Both companies also share a strong commitment to returning capital to shareholders, with a

total of \$1.6 billion being returned through dividend payments and share repurchases since the beginning of 2020 (on a pro forma basis).

Under the Merger Agreement, which the Board of Directors of both companies have unanimously approved, the new Agnico Eagle will be led by a combined board and management team of experienced mining and business leaders, bringing together the proven cultures, strengths and capabilities of both companies. The transaction is expected to close in December 2021 or in the first quarter of 2022.

Pursuant to the Merger Agreement, Kirkland Lake Gold shareholders will receive 0.7935 of an Agnico Eagle common share for each Kirkland Lake Gold common share held (the “**Consideration**”). The Consideration to Kirkland Lake Gold represents approximately a 1% premium to the 10-day volume weighted average prices on the Toronto Stock Exchange, as at close of trading Friday September 24, 2021 and implies a combined market capitalization of approximately \$24 billion. Upon closing, existing Agnico Eagle and Kirkland Lake Gold shareholders will own approximately 54% and 46% of the combined company, respectively.

Sean Boyd, Agnico Eagle’s Chief Executive Officer stated, “This merger starts a new chapter in Agnico Eagle’s 64-year history and creates the leading low risk global gold company with growing production, low costs and strong ESG leadership. The transaction creates a company with a strong platform of people, assets and financial resources to continue to build and operate a long term sustainable and self funding business. Kirkland Lake is an excellent cultural fit with Agnico

Eagle, and we look forward to working together to further grow our business through exploration, mine development and optimization of our high-quality asset base. Over time, we believe that the gold industry will continue to evolve and consolidate and with this transaction we are well positioned to take advantage of high-quality opportunities and be a true Canadian mining champion.”

Tony Makuch, President and CEO of Kirkland Lake Gold, stated, “We are very pleased and excited to be entering into a combination with Agnico Eagle. It is a unique ‘strength-on-strength’ transaction that combines the two global gold producers with the best track records for increasing per share value. The deal creates an industry leader with a dominant position in the Canadian market that is deserving of a premium valuation and is poised to generate superior long-term shareholder value going forward. The transaction represents a true merger of equals, with the business of both companies to benefit from the significant financial strength of the merged company, the extensive pipeline of development and exploration projects to drive future growth, and the potential to realize significant operational and strategic synergies along the Abitibi- Kirkland Lake corridor. It is the right deal for our company and its shareholders, our people, the communities where we operate, and all of our key stakeholder groups.”

Click [here](#) to read the full press release.

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