

May 2004

Dear Fellow Shareholders:

For the past year, I have written a letter to you accompanying the quarterly and annual reports. This time – and for the first time in a year – I can say I am truly pleased to enclose the results for the latest quarter.

That is because, in the first quarter of 2004, the hard work and intense focus of the Agnico-Eagle team over the past year are clearly reflected in our financial and operating results.

As you review the quarterly report, you will see signs that we have turned the corner and are making significant progress in our efforts to generate long-term shareholder value.

The highlights include:

- Record quarterly net income of \$12.9 million or \$0.15 per share compared with losses a year ago
- Positive operating cash flow of almost \$21 million
- Our lowest-ever cash cost per ounce of gold produced at \$78
- Almost 690,000 tons of ore milled, up by more than 14% from a year ago
- More than 70,000 ounces of gold produced -- a 28% increase
- An important step in implementing our Regional Strategy with the start of our underground program at the Goldex property

In addition, after the end of the quarter, we announced an investment in Riddarhyttan Resources AB which means Agnico-Eagle can participate in the development of an exciting gold property in northern Finland. The property's geology is very much like those in our own Abitibi region, where our own LaRonde mine is located. Developing and mining it will also be similar since Finland is friendly to mining and has low political risk.

The Riddarhyttan investment is exactly the type of opportunity our Regional Strategy is designed to capture. While we continue to focus on our unequalled portfolio of properties in the Cadillac-Bousquet belt – from Norgold to Goldex – we have the flexibility and the financial strength to invest in properties where our experience and expertise can add value.

Now, when it appears that we are putting our difficulties behind us, it seems more appropriate than ever to thank you, our shareholders, for your patience and support. I can assure you that we are committed to continuing to build on these positive developments.

If you would like to find out more about your investment in Agnico-Eagle, please visit our website www.agnico-eagle.com or call us. We would be pleased to help.

Yours sincerely,



Sean Boyd
President and Chief Executive Officer