AGNICO EAGLE MINES LTD
Form SUPPL
December 17, 2008

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No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the short form base shelf prospectus dated December 14, 2006 (the "Prospectus") to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into the Prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus supplement from documents filed with the securities commission or similar regulatory authority in each of the provinces of Canada (the "Canadian Securities Administrators") and the United States Securities and Exchange Commission (the "SEC"). *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary, Agnico-Eagle Mines Limited, 145 King Street East, Suite 400, Toronto, Ontario, Canada M5C 2Y7 (telephone (416) 947-1212), and are also available electronically at www.sedar.com ("SEDAR"). For the purpose of the Province of Quebec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Corporate Secretary of the Company at the above mentioned address and telephone number and is also available electronically on SEDAR. The Company's head office and registered office is located at 145 King Street East, Suite 400, Toronto, Ontario, Canada M5C 2Y7.*

PROSPECTUS SUPPLEMENT
To Short Form Base Shelf Prospectus Dated December 14, 2006

New Issue December 16, 2008

AGNICO-EAGLE MINES LIMITED

US$34,200,000

900,000 Common Shares

This prospectus supplement relates to the distribution of the 900,000 common shares ("Common Shares") of Agnico-Eagle Mines Limited (the "Company") directly to 28 institutional investors (the "Subscribers"). The Company anticipates that the closing of the transactions relating to the distribution of the Common Shares will be on or about December 19, 2008.

The outstanding common shares of the Company are listed on the Toronto Stock Exchange (the "TSX") and the New York Stock Exchange (the "NYSE") under the symbol "AEM". The closing price of the Company's common shares on the TSX on December 15, 2008 was C$52.20, and the closing price of the common shares on the NYSE on December 15, 2008 was US$42.31. Application has been made to list the Common Shares on the TSX and the NYSE. The offering price of the Common Shares was determined by negotiation between the Company and the Subscribers.

Investing in the Company's common shares involves risks. See "Risk Factors" beginning on page S-8 of this prospectus supplement.

These securities have not been approved or disapproved by the SEC or any state securities commission nor has the SEC or any state securities commission passed upon the accuracy or adequacy of this prospectus supplement. Any representation to the contrary is a criminal offense.

This prospectus supplement registers the offering of the securities to which it relates under the United States Securities Act of 1933, as amended, in accordance with the multijurisdictional disclosure system adopted by the SEC and the Canadian Securities Administrators.

This offering is made by a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this prospectus supplement in accordance with the disclosure requirements of Canada. Prospective investors should be aware that such requirements are different from those of the United States.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are residents in, or citizens of, the United States may not be fully described herein.

The enforcement by investors of civil liabilities under the federal securities laws may be affected adversely by the fact that the Company is incorporated under the laws of Ontario, that some or all of its officers and directors may be residents of a foreign country, that some or all of the experts named in the registration statement may be residents of a foreign country, and that all or a substantial portion of the assets of the company and said persons may be located outside the United States.

Price: US$38.00 per Common Share

	Price to the Public	Net Proceeds to the Company(1)
Per Common Share	US$38.00	US$38.00
Total	US$34,200,000	US$34,200,000

Notes:

(1) Before deducting expenses of the offering estimated at US$150,000 which will be paid from the proceeds of the offering.

No underwriter has been involved in the preparation of, or has performed any review of, this prospectus supplement or the accompanying Prospectus.

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Prospectus Supplement

Prospectus

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering and also supplements and updates information contained in the accompanying Prospectus and the documents incorporated by reference therein. The second part is the accompanying Prospectus which gives more general information, some of which may not apply to the offering.

Only the information contained or incorporated by reference in the accompanying Prospectus, including this prospectus supplement, should be relied upon. The Company has not authorized any other person to provide different information. If anyone provides different or inconsistent information, it should not be relied upon. The Common Shares may not be offered or sold in any jurisdiction where the offer or sale is not permitted. Unless otherwise indicated, the statistical, operating and financial information contained in this prospectus supplement is presented as at December 15, 2008. It should be assumed that the information appearing in this prospectus supplement, the Prospectus and the documents incorporated by reference in the Prospectus is accurate only as of the respective dates of such documents. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

In this prospectus supplement, unless stated otherwise, "Agnico-Eagle", the "Company", "we", "us", and "our" refer to Agnico-Eagle Mines Limited.

Unless otherwise indicated, all references to "$", "US$" or "dollar" in this prospectus supplement refer to US dollars and "C$" refers to Canadian dollars. For information purposes, the noon buying rate in the City of New York for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate") on December 15, 2008 was US$1.00 equals C$1.2350.

NOTE TO INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

The mineral reserve and mineral resource estimates contained in or incorporated by reference in this prospectus supplement or the accompanying Prospectus have been prepared in accordance with the Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). These standards are similar to those used by the SEC's Industry Guide No. 7. However, the definitions in NI 43-101 differ in certain respects from those under Industry Guide No. 7. Accordingly, mineral reserve and mineral resource information contained or incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies. Under the requirements of the SEC, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made.

The metal grades reported in the mineral reserve and mineral resource estimates represent in-place grades and do not reflect losses in the recovery process, that is, the metallurgical losses associated with processing the extracted ore. The mineral reserve figures presented and incorporated by reference herein are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The Company does not include equivalent gold ounces for byproduct metals contained in mineral reserves in its calculation of contained ounces.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources

This prospectus supplement, the accompanying Prospectus and documents incorporated by reference herein and therein use the terms "measured resources" and "indicated resources". We advise investors that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves.

Cautionary Note to Investors Concerning Estimates of Inferred Resources

This prospectus supplement, the accompanying Prospectus and documents incorporated by reference herein and therein use the term "inferred resources". We advise investors that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.**

For definitions of the terms used in this section, see the Company's Annual Report on Form 20-F for the year ended December 31, 2007 (filed with Canadian securities regulators and the SEC on March 28, 2008) (the "Form 20-F").

NOTE TO INVESTORS CONCERNING CERTAIN MEASURES OF PERFORMANCE

This prospectus supplement, the accompanying Prospectus and the documents incorporated by reference herein and therein present "total cash costs per ounce" and "minesite cost per tonne" that are not recognized measures under US GAAP. This data may not be comparable to data presented by other gold producers. A reconciliation of these measures to the most comparable financial measures calculated and presented in accordance with US GAAP is set out below.

(thousands of dollars, except where noted)	Three months ended September 30, 2008	2007	Nine months ended September 30, 2008	2007	Year ended December 31, 2007	2006	2005
Production costs per Consolidated Statements of Income and Comprehensive Income	$ 50,525	$ 44,936	$ 140,217	$ 123,924	$ 166,104	$ 143,753	$ 127,365
Adjustments:							
Byproduct revenues	(34,867)	(63,175)	(137,672)	(204,653)	(260,668)	(304,817)	(123,450)
Inventory adjustment(1)	767	1,396	1,124	8,078	11,528	(7,607)	6,991
Accretion expense and other	(326)	(293)	(938)	(837)	(1,264)	(936)	(429)
Cash operating costs	$ 16,099	$(17,136)	$ 2,731	$ (73,488)	$ (84,300)	(169,607)	$ 10,477
Gold production (ounces)	66,969	55,830	177,313	170,810	230,992	245,826	241,807
Total cash costs (per ounce)	$ 240	$ (307)	$ 15	$ (430)	$ (365)	$ (690)	$ 43

(thousands of dollars, except where noted)	Three months ended September 30, 2008	2007	Nine months ended September 30, 2008	2007	Year ended December 31, 2007	2006	2005
Production costs per Consolidated Statements of Income	$50,525	$44,936	$140,217	$123,924	$166,104	$143,753	$127,365
Attributable to LaRonde	42,393	44,936	132,085	123,924	166,104	143,753	127,365
Attributable to Goldex	8,132		8,132				
Total	$50,525	$44,936	$140,217	$123,924	$166,104	$143,753	$127,365
<u>LaRonde: Minesite Costs per Tonne</u>							
Production costs	$42,393	$44,936	$132,085	$123,924	$166,104	$143,753	$127,365
Adjustments:							
Inventory adjustments(2)	2,364	(2,576)	1,462	2,319	916	2,494	(4,752)
Accretion expense and other	(293)	(293)	(906)	(837)	(1,264)	(936)	(429)
Minesite operating costs ($)	$44,464	$42,067	$132,641	$125,406	$165,756	$145,311	$122,184
Minesite operating costs (C$)	$46,592	$44,138	$135,374	$134,857	$177,735	$164,459	$147,834
Tonnes of ore milled (000's tonnes)	653	667	1,992	2,018	2,673	2,673	2,672
Minesite costs per tonne (C$)	$ 71	$ 66	$ 68	$ 67	$ 66	$ 62	$ 55
<u>Goldex: Minesite Costs per Tonne</u>							
Production costs	$ 8,132	$	$ 8,132	$	$	$	$
Adjustments:							
Inventory adjustments	1,434		1,434				
Non-cash reclamation provision	(33)		(33)				
Minesite operating costs ($)	$ 9,533	$	$ 9,533	$	$	$	$

Minesite operating costs (C$)	$ 9,761	$	$ 9,761	$	$	$	$
Tonnes of ore milled (000's tonnes)	286		286				
Minesite costs per tonne (C$)	$ 34	$	$ 34	$			

Notes:

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

(2) This inventory adjustment reflects production costs associated with unsold concentrates.

This prospectus supplement, the accompanying Prospectus and the documents incorporated by reference herein and therein also contain information as to estimated future total cash costs per ounce and minesite cost per tonne for projects under development. These estimates are based upon the total cash costs per ounce and minesite cost per tonne that the Company expects to incur to mine gold at those projects and, consistent with the above reconciliation, does not include production costs attributable to accretion expense and other asset retirement costs, which will vary over time as each project is developed and mined. It is therefore not practicable to reconcile these forward-looking non-US GAAP financial measures to the most comparable US GAAP measure.

The Company believes that these generally accepted industry measures are realistic indicators of operating performance and useful for year over year comparisons. However, both of these non-US GAAP measures should be considered together with other data prepared in accordance with US GAAP, and these measures, taken by themselves, are not necessarily indicative of operating costs or cash flow measures prepared in accordance with US GAAP.

FORWARD-LOOKING STATEMENTS

The information contained in this prospectus supplement has, unless otherwise specified, been prepared as of December 15, 2008, and unless otherwise specified, the information contained in the documents incorporated by reference in this prospectus supplement and the accompanying Prospectus has been prepared as of the respective dates of such documents. Certain statements contained in this prospectus supplement, the accompanying Prospectus and in the documents incorporated by reference herein and therein, referred to herein as "forward-looking statements", constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" under the provisions of Canadian provincial securities laws. When used in such documents, the words "anticipate", "believe", "could", "expect", "estimate", "forecast", "intend", "may", "outlook", "planned", "should", "will", "would" and similar expressions are intended to identify such forward-looking statements.

Forward-looking statements in this prospectus supplement, the accompanying Prospectus and in the documents incorporated by reference herein and therein include, but are not limited to: the Company's outlook for 2008, 2009 and future periods; statements regarding future earnings, and the sensitivity of earnings to gold and other metal prices; anticipated trends for prices of gold and byproducts mined by the Company; estimates of future mineral production and sales; estimates of future costs, including mining costs, total cash costs per ounce, minesite costs per tonne and other expenses; estimates of future capital expenditures and other cash needs, and expectations as to the funding thereof; statements as to the projected development of certain ore deposits, including estimates of exploration, development and production and other capital costs and estimates of the timing of such development and production or decisions with respect to such development and production; estimates of mineral reserves, mineral resources, ore grades and statements regarding anticipated future exploration results; the anticipated timing of events with respect to the Company's minesites, mine construction projects and exploration projects; estimates of mine life; estimates of future costs and other liabilities for environmental remediation; and other anticipated trends with respect to the Company's capital resources and results of operations.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions of the Company upon which the statements in this prospectus supplement, the accompanying Prospectus and in the documents incorporated by reference herein and therein containing forward-looking statements, which may prove to be incorrect, are based on include, but are not limited to, the assumptions set out in this prospectus supplement and the accompanying Prospectus as well as: that there are no significant disruptions affecting the Company's operations, whether due to labour disruptions, supply disruptions, damage to equipment, natural occurrences, political changes, title issues or otherwise; that permitting, development and expansion at each of the Company's projects proceeds on a basis consistent with current expectations, and that the Company does not change its plans relating to such projects; that the exchange rate between the Canadian dollar, European Union Euro, Mexican peso and the United States dollar will be consistent with the Company's current expectations or as set out in this prospectus; prices for gold, silver, zinc and copper will be consistent with the Company's expectations; that prices for key mining and construction supplies, including labour costs, remain consistent with the Company's current expectations; that production meets expectations; that the Company's current estimates of mineral reserves, mineral resources, mineral grades and mineral recovery are accurate; that there are no material delays in the timing for completion of the Company's ongoing development projects; and that there are no material variations in the current tax and regulatory environment that affect the Company.

The forward-looking statements in this prospectus supplement, the accompanying Prospectus and the documents incorporated by reference herein and therein, unless otherwise indicated, reflect the Company's views as at the dates of such documents, and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. For a more detailed discussion of such risks and material factors or assumptions underlying these forward-looking statements, see "Risk Factors" in this prospectus supplement, the Form 20-F, as well as the Company's other filings with the Canadian Securities Administrators and the SEC. Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based. This prospectus supplement contains information regarding anticipated total cash costs per ounce and minesite costs per tonne at certain of the Company's mines and mine development projects. This information was developed to assist management with its assessment as to what resources to allocate to the construction and/or expansion of its mine and mine development projects. Investors are cautioned that this information may not be suitable for other purposes.

RISK FACTORS

An investment in the Common Shares involves certain risks. Before making an investment decision, prospective purchasers should carefully consider all of the information in this prospectus supplement, the accompanying Prospectus and the documents incorporated by reference herein and therein and, in particular, should evaluate the following risk factors. However, the risks described below are not the only ones facing the Company. Additional risks not currently known to the Company or that the Company currently deems immaterial may also impair the Company's business operations.

The Company is largely dependent upon its mining and milling operations at the LaRonde Mine and any adverse condition affecting those operations may have a material adverse effect on the Company.

The Company's mining and milling operations at the LaRonde Mine accounted for approximately 86% of the Company's gold production for the first three quarters of 2008 and will continue to account for a significant portion of its gold production in the future until the Goldex Mine, the Kittila Mine and the Company's mine projects are brought into full production. Any adverse condition affecting mining or milling conditions at the LaRonde Mine could be expected to have a material adverse effect on the Company's financial performance and results of operations until such time as the condition is remedied. The Company also anticipates using revenue generated by its operations at the LaRonde Mine to finance a substantial portion of the capital expenditures required at its mine development projects. In addition, one of the Company's major development programs is the extension of the LaRonde Mine below Level 245, referred to as the LaRonde Mine extension. This program involves the construction of infrastructure at depth and extraction of ore from new zones and may present new or different challenges for the Company. Gold production at the LaRonde Mine above Level 245 has started to decline. The Goldex Mine commenced operations during 2008, however, production from this mine will be lower during the initial period of operation than it will be once the mine reaches its full production rate. In addition, production from the Goldex Mine may be lower than anticipated as a result of delays in achieving full production rate or because the anticipated full production rate cannot be achieved. Unless the Company can successfully bring into production the Kittila Mine or the Lapa, Pinos Altos or Meadowbank mine projects, the LaRonde Mine extension or otherwise acquire gold producing assets, the Company's results of operations will be adversely affected. Further, there can be no assurance that the Company's current exploration and development programs at the LaRonde Mine will result in any new economically viable mining operations or yield new mineral reserves to replace and expand current mineral reserves at what is currently the Company's most significant active mining operation.

The Company may have difficulty financing its additional capital requirements for its planned mine construction, exploration and development.

The construction of mining facilities and commencement of mining operations at the Kittila Mine and the LaRonde Mine extension and the Lapa, Pinos Altos and Meadowbank mine projects, and the exploration and development of the Company's properties, including continuing exploration and development projects in Quebec, Nunavut, F