

Reclamation Security

Brodie Consulting Ltd. retained by AANDC to:

- Prepare an updated reclamation cost estimate for the reclamation liability of Jericho Mine
- Calculate the total, water, and land related liability

Reclamation Security - Approach

- Review of mine development and interim closure plan
- Identify a scope of work (tasks & quantities), considering the site conditions
- Identify appropriate unit costs for each task

Reclamation Cost Estimate – Assumptions

- Same scope of tasks as per 2004 estimate
- Mine Plan same as previous owner
- Reprocessing 25,100 tonnes of recovery circuit rejects

Reclamation Cost Estimate - Results

- Total Liability - \$11,916, 505
- Land Liability - \$8,527,431
- Water Liability - \$3,389,074

Land/Water Segregation

- Same methodology as applied to:
 - Diavik, Snap Lake, Meadowbank,
- Rationale for segregation is technical:
 - For each reclamation task, it is assigned to land or water based on the impact that would result if the work were not conducted
 - Where impacts to land and water would result, the liability is split, based on judgement

Segregation of Indirect Costs

- Indirect costs:
 - Mobilization, monitoring, project management, engineering, contingency
- land ratio = $\frac{\text{direct land reclamation cost}}{\text{total direct reclamation cost}}$
- water ratio = $\frac{\text{water reclamation cost}}{\text{total direct reclamation cost}}$

Segregation – KIA Lands

- Land liability further segregated into KIA lands
- KIA lands have large portion of waste dumps 1 and 2 as well as emulsion plant and ammonium nitrate storage
- KIA land liability - \$1,264,034

Segregation - Land

- Total Land Liability - \$8,527,431
- Crown land liability – \$7,263,397
- KIA land liability - \$1,264,034