ABANDONMENT AND RESTORATION PLAN

AGNICO-EAGLE MEADOWBANK PROJECT

EXPLORATION CAMP

LICENSE 2BE-MEA0507

Prepared by: Stéphane Robert
Environmental Project
Coordinator

Approved by: Louise Grondin, P.Eng.
Vice-pres.Environment
Agnico-Eagle Mines Ltd

Revision 1
October 24, 2007

Table of Contents

1. Introduction

The Meadowbank project, operated by Agnico-Eagle Limited, is located approximately 70 kilometres north of the Hamlet of Baker Lake, Nunavut. The project is located on Inuit Owned surface lands (IOL BL-14) and as such access is subject to licensing and permit approval by the Kivalliq Inuit Association and the Nunavut Water Board. The campsite for the Meadowbank project is located at 65o 01' 9.12''N latitude and 96o 04' 1.91''W longitude on NTS map sheet 66H/1. This document has been produced to update the abandonment and restoration plan for the Meadowbank exploration camp including the air strip and the 5.6 million litres diesel fuel storage tank. The reader is referred to figure 1 below for a map showing the description of the camp. Detailed plans for the demobilization of equipment and the restoration of the site, including the fuel tank, are provided below. An itemized breakdown of the projected costs to complete the work is provided in table 1. It should be noted that for the demobilization of many of the big ticket items (heavy equipment, etc.) it has been assumed that their residual value should offset the cost of shipping the equipment south.

2. Description of the Meadowbank site activities

During the past twelve years of exploration at the Meadowbank camp, significant improvements have been made to the camp facilities. The original Cumberland camp, now referred to as the South Camp, was erected in 1995 on an Island in Third Portage Lake in close proximity to the Third Portage and Goose Island Deposits. As the project advanced, more space was required hence new kitchen and dry facilities were constructed but in a new location, on the mainland, approximately one kilometre north of the original campsite. This new site was referred to as the North Camp. The new camp site was selected on the basis of his proximity to the proposed mill complex required for development of the Meadowbank Project and to be used as a possible initial construction camp, should the project proceed to development. The new kitchen and dry facilities were completed in the summer of 2002, and the North Camp was occupied in August of that year. In the spring of 2003 new office and core processing facilities were constructed at the North Camp. Decommissioning and progressive reclamation of the South Camp was also initiated in 2003. As the amount of activity at the camp is planned to increase, the capacity of the soft camp was increased in 2007 by the addition of accommodation for an extra 25 persons. This addition will respect the conditions of the current water licence B for the camp. On the figure

The construction of a 900 m long airstrip, located immediately northeast of the camp, was begun at the Meadowbank site during the summers of 2005 and 2006. To date only 260 m of the air strip is complete. Completion of the air strip is planned for 2008. The current airstrip length is suitable to accommodate landing of small aircrafts, as required, in support of exploration work at the site.

Fuel storage systems at the site now utilize five 50 000 litres and four 75 000 litres double-walled fuel tanks. These are comprised of the original 50 000 litres tanks that had been installed at the South Camp and of the 75 000 litres tanks installed in 2003. These tanks provide storage for approximately 451 250 litres of diesel fuel and 71 250 litres of Jet-A fuel. Approval was received from the NWB and the KIA in 2006 for the construction of a single 5.6 million litres fuel tank at the Meadowbank site, which would provide increased diesel storage capacity and allow for consolidation of the multiple tanks currently in use. Construction of the pad and containment structures for the tank was partially completed during the summer of 2006. It is currently proposed that construction of the earthworks and the erection of the tank will be completed at the site this fall.

Ground work will take place during the fall of 2007 for the preparation of the site to receive the permanent camp and the mill foundations. When the road will be completed, the camp units will be transported to site and installed. Finally, as a result of delays in the road construction, to reduce the total construction time, the road construction already approved will start from Meadowbank site to Baker Lake, using the Tercon equipment.

3. Demobilization at the end of activities

In the event of exploration camp shutdown before the Meadowbank mine is constructed and placed in service, all equipment, structures and fuel containers will be removed from the area of the lease prior to lease termination. Non-combustible buildings, materials and equipment will be removed by the Tenant and transported to Baker Lake. All materials and equipment will be offered for purchase by local interests. Any items which remain will be shipped to points south from Baker Lake on barges. Combustible buildings, materials and equipment will be burnt on site. Local persons and businesses will be given opportunity to salvage buildings, materials and equipment that would otherwise be destroyed prior to the Tenant undertaking final land reclamation procedures. The only materials and structures remaining after demobilization will be drill core stored in rack at the site.

3.1. Fuel Removal

All remaining bulk fuel on site will be sold and delivered to the buyer by Delta tankers. Sufficient fuel for heating needs will be stored on site in standard 205 L barrels during the camp closure. Any remaining fuel will be flown to BAKER LAKE and sold to local interests.

3.2. Fuel Vaults Removal

Portable bulk fuel storage tanks (50,000 and 75,000 litre capacity) will be hauled overland to Baker Lake and shipped south on a barge. The larger 5.6 million litres tank will be emptied of fuel, cleaned, dismantled and transported to Baker Lake for barge

shipment south. The fuel tanks will be offered to local interests prior to shipment from Baker Lake.

After the removal of the tank farm, any contaminated soils related to the fuel storage area will be removed and placed in a lined disposal facility (to prevent contaminated run off waters from entering the environment). This material will either be treated with biological remediation agents, such as 'oil sponge' which encapsulates and consumes the hydrocarbons, or it will be hauled to Baker Lake for disposal in a designated site. If the transportation of the materials to an approved disposal facility is deemed necessary, then this will be done in compliance with the guidelines of the Environmental Protection Services of the Government of Nunavut. This includes registration as a generator with the EPS and complying with all other regulatory requirements for hazardous waste management, including transportation, occupational health and public health.

3.3. Fuel Drums Removal

Empty fuel barrels will be removed to Baker Lake and shipped south on a barge. The fuel drums will be crushed prior to shipment south to reduce volume and hence cost of transportation. The fuel drums will also be offered to local interests.

3.4. Drill Equipment Removal

All drill equipment will be relocated to Baker Lake for shipment south to the place of business of the drilling contractor. All materials consumed by drilling such as salt, drilling compounds, etc. will be relocated to Baker Lake for shipment south to the place of business of the drilling contractor. Peat and fertilizer will be retained on site for use during site reclamation. No surplus is expected.

3.5. Camp Equipment Removal

Abandonment and restoration cost estimates assume that all equipment will be removed by the Tenant. However, local persons and businesses will be given the opportunity to salvage camp equipment that would otherwise be destroyed prior to the Tenant undertaking final land reclamation procedures.

3.6. Removal of Structures

The Meadowbank Project has historically utilized two camp sites: the south camp located on an island in Third Portage Lake and the north camp located on the mainland, approximately one kilometre north, near the proposed mill site for potential development of the project. The north camp began operation in the summer of 2002 and reclamation of the south camp site has been ongoing since that time. As of the spring of 2006, all the

structures have been moved from the south camp to the north camp, with the exception of the core shack which remains intact at the site.

Structures presently in use at the north camp include:

- a stick built kitchen/dry structure,
- 4: 14'x16' Weatherhaven sleeper tents,
- 19: 14'x16' wooden framed canvas sleeper tents,
- 13: 12'x12' Weatherhavean sleeper tents,
- a 16'x55' Weatherhaven shower/toilet,
- a 24'x 84' Weatherhaven core shack and
- a 24' x 32' Weatherhaven office tent,
- a plywood generator shed and driller's shop and
- a 42' x 70' temporary Cover-all fabric building.

All Weatherhaven units and canvas tents will be removed by the Tenant. All remaining structures and building materials will be burned on site with the non-combustible remainder collected and removed to the municipal land fill at Baker Lake. The rigid structures and Weatherhaven units will be offered to local interests.

3.7. Drill Core

There is approximately 70,000 metres of drill core in storage at the south camp site. Drill core is consolidated at the south camp near the old core shack in a compact area. The integrity of this core is best preserved with minimal re-handling, therefore it is not intended or recommended that this be moved. It is most useful in its current storage mode. Drill core is also stored at the north camp in the same manner. At present the core storage facilities located in the north camp contain an additional 51,000 metres of core. It is also intended that this drill core will remain at the site after camp demobilisation.

4. Reclamation

The natural re-vegetation of the site generally will be slow due to the dry conditions that exist at the camps. The use of fertilizers is most effective in moist sites and while it helps on drier sites, the response by the tundra plant community on the higher ground occupied by the new camp will be significantly slower. There will be five different surface conditions that require reclamation on termination of activities at the present camp site, as described below.

4.1. Areas of Heavy Traffic

In these areas the total amount of vegetation on surface is diminished thereby reducing the insulating layer over the permafrost which has receded allowing surface settlement and so there appears to be more rocks protruding through the surface. These areas remain stable and reclamation will involve applications of fertilizer to accelerate natural re-

vegetation. These sites will also receive applications of fertilizer in the interim to stimulate healthier plants and seed development on the margins of the disturbed areas.

4.2. Gravel Pads

Gravel has been placed on the lease area to establish a level supporting surface under fuel tanks. The natural surface remains stable and is bordered by natural vegetation. The gravel will be mixed with peat and fertilizer and be dispersed; the original ground surface will be fertilized and allowed to re-vegetate naturally.

4.3. Building and Core Rack Bases

The prolonged presence of structures prevents plant growth by blocking light to the plants on the site. The ground surface remains stable and time alone will allow plants to re-establish. This will be enhanced by limited scarification to improve the germination of seeds from adjacent plants responding to the application of fertilizer throughout the lease area generally.

4.4. Burned Sites

Material to be burned will be consolidated to reduce the number of sites and total area of the scorched tundra. All burning sites will be raked and remaining metal removed and placed in the municipal land fill.

All live plant tissue in the soil will have been destroyed by the heat but the surface will be stable. Like former building sites discussed above, natural re-vegetation will be slow. The sites will be raked to remove metal, the ash scattered, and the sites fertilized. Non-combustible residue will be placed in the municipal landfill in Baker Lake.

4.5. Trenches

Trenches will be backfilled with the material previously removed and stockpiled beside the trenches. They will be smoothed, re-contoured and fertilized as above.

4.6. Roadways

All access roads which were constructed under the exploration permits will be decommissioned and returned to the original ground profile. The pre-existing drainage courses will be re-established and all culverts removed. Disturbed surfaces will be scarified and fertilized to promote natural vegetative cover.

4.7. Airstrip

The area of the airstrip will be re-contoured; drainage ditches filled in and the area will be fertilized as above, unless it is decided by regulators and local interests that the strip should remain functional for other potential uses.

5. Site Monitoring

After the completion of reclamation, two years of annual monitoring of the site will take place in the late summer. The monitoring will consist of measuring and documenting plant re-growth, ensuring that the core racks and boxes are stable and inspecting potential problem areas for erosion and run-off into the Lake. Reports, including photographs, will be submitted to the land owner (KIA) and to the NWB.

6. Management and Contingency Factor

Cost estimates for the above activities are based on unit costs and unit project management costs are estimated at 70 days at $500/day or $35,000. Table 1 is attached to this document, which includes detailed cost estimates for each activity. No contingency factor has been added to the amounts presented in table 1.

Table 1: Meadowbank Project exploration camp

Meadowbank site Cost estimate of reclamation as of October 31 2007

activity	Sub-activity	Item	Unit	# Units	Cost/Unit	Cost by ac	# man days	allocation of Labour 200$	allocation of camp costs $100	Allocation of Helicopter 20,000$	Total for Activity
1.0 Demobilization											
1.1 Fuels/tanks	1.1.1 Remove Fuel	Bulk	litres	2000	0,59 $	1 178,00 $					1 178,00 $
		drums	litres	2050	0,59 $	1 207,45 $					1 207,45 $
	1.1.2 remove Fuel Vaults	Camp to Baker	tonne	97	727,49 $	70 566,53 $					70 566,53 $
	1.1.3 Remove fuel drums	Camp to Baker	kg	4362	0,73 $	3 171,17 $					3 171,17 $
	1.1.4 Remove Fuel Tidy Tanks & pumps	Camp to baker	kg	777	0,73 $	564,88 $					564,88 $
	1.1.5 Remove 5,6 M litre Tank and accessories	Dismantle					12	2 400,00 $	1 200,00 $	3 429,00 $	7 029,00 $
		Camp to Baker	tonne	135	727,49 $	98 211,15 $					98 211,15 $
		Airfare for Gemsteel				12 000,00 $					12 000,00 $
Subtotal - Remove Fuel &tanks						**186 334,30 $**		**2 400,00 $**	**1 200,00 $**	**3 429,00 $**	**193 363,30 $**
1.2 Remove drill Equipment	Remove Drill Equipment and supplies										
	4 BLY diamonds drills	Camp to Baker	kg	10885	0,73 $	7 918,73 $					7 918,73 $
	3 BLY sloops	Camp to Baker	kg	1360	0,73 $	989,39 $					989,39 $
	3 BLY Pump shacks	Camp to Baker	kg	2721	0,73 $	1 979,50 $					1 979,50 $
	625 BQ Drill Rods (18 kg ea)	Camp to Baker	kg	11520	0,73 $	8 380,68 $					8 380,68 $
	437 NQ Drill Rods (22,6 kg ea)	Camp to Baker	kg	9876	0,73 $	7 184,69 $					7 184,69 $
	Miscellaneous Drill Equipment	Camp to Baker	kg	7257	0,73 $	5 279,39 $					5 279,39 $
							4	800,00 $	400,00 $	1 143,00 $	2 343,00 $
Subtotal - Remove Drill Equipment						**31 732,39 $**		**800,00 $**	**400,00 $**	**1 143,00 $**	**34 075,39 $**
1.3 Other major Equipment	350 (52 tonnes)	Camp to Baker	trip	1	1 320,00 $	1 320,00 $					1 320,00 $
	3- 777B rocks trucks (130 tonnes)	Camp to Baker	trip	3	1 320,00 $	3 960,00 $					3 960,00 $
	1-966C loader spare parts in bucket (18 tonnes)	Camp to Baker	trip	1	1 320,00 $	1 320,00 $					1 320,00 $
	1-Fuel truck (9 tonnes)	Camp to Baker	trip	1	1 320,00 $	1 320,00 $					1 320,00 $
	1-Lube truck (9tonnes)	Camp to Baker	trip	1	1 320,00 $	1 320,00 $					1 320,00 $
	2 pick-up (3 tonnes	Camp to Baker	trip	2	1 320,00 $	2 640,00 $					2 640,00 $
	35 tonne crane	Camp to Baker	tonne	29	727,49 $	21 097,21 $					21 097,21 $
	Portable crushing plant	Camp to Baker	tonne	186	727,49 $	135 313,14 $					135 313,14 $
	shop van	Camp to Baker	tonne	5	727,49 $	3 637,45 $					3 637,45 $
	shop coverall	Camp to Baker	tonne	14	727,49 $	10 184,86 $					10 184,86 $
	4-light plants	Camp to Baker	tonne	7	727,49 $	5 092,43 $					5 092,43 $
	2-BLY skidders (12 tonnes0	Camp to Baker	trip	2	1 320,00 $	2 640,00 $					2 640,00 $
	D7H Dozer (19 tonnes)	Camp to Baker	trip	1	1 320,00 $	1 320,00 $					1 320,00 $
	1981 Bombardier Go-tract GT800S (1 tonne)	Camp to Baker	trip	1	1 320,00 $	1 320,00 $					1 320,00 $
	Cat 307B Excavator	Camp to Baker	tonne	9,067	727,49 $	6 596,15 $					6 596,15 $
	Bomag BW124PD Compactor	Camp to Baker	tonne	1,36	727,49 $	989,39 $					989,39 $
	Joy Ramtrack VCR 60 Airtrac Drill	Camp to Baker	tonne	7,03	727,49 $	5 114,25 $					5 114,25 $
	Gardner Denver 750 cfm Compressor	Camp to Baker	tonne	5,896	727,49 $	4 289,28 $					4 289,28 $
	Sullivan 160 cfm Compressor	Camp to Baker	tonne	0,997	727,49 $	725,31 $					725,31 $
	Lincoln 300 amp welder	Camp to Baker	tonne	0,204	727,49 $	148,41 $					148,41 $
	Jack leg &steel	Camp to Baker	tonne	0,18	727,49 $	130,95 $					130,95 $
	Incinerator 7chimney	Camp to Baker	tonne	1,655	727,49 $	1 204,00 $					1 204,00 $
	Weather station	Camp to Baker	tonne	0,18	727,49 $	130,95 $					130,95 $
	Powder magazine	Camp to Baker	tonne	6,3	727,49 $	4 583,19 $					4 583,19 $
	cap magazine	Camp to Baker	tonne	2,1	727,49 $	1 527,73 $					1 527,73 $
	Cold storage (20' Sea can)	Camp to Baker	tonne	2,258	727,49 $	1 642,67 $					1 642,67 $
	Taylor Power Plant (2x250 kw)	Camp to Baker	tonne	12,637	727,49 $	9 193,29 $					9 193,29 $
	Subtotal for ocean Freight	Baker to south	tonne	26,6	300,00 $	7 980,00 $					7 980,00 $
	50 kw generator	Camp to Baker	tonne	1,134	727,49 $	824,97 $					824,97 $
	19 kw generator	Camp to Baker	tonne	0,498	727,49 $	362,29 $					362,29 $
	17 kw generator	Camp to Baker	tonne	0,43	727,49 $	312,82 $					312,82 $
	11 kw generator	Camp to Baker	tonne	0,249	727,49 $	181,15 $					181,15 $
	6.5 kw generator	Camp to Baker	tonne	0,1	727,49 $	72,75 $					72,75 $
	2,2 kw generator	Camp to Baker	tonne	0,032	727,49 $	23,28 $					23,28 $
	18' aluminium boat	Camp to Baker	tonne	0,2	727,49 $	145,50 $					145,50 $
	Zodiac & Quicksilver inflatable /3motors	Camp to Baker	tonne	0,318	727,49 $	231,34 $					231,34 $
	8 snowmobiles	Camp to Baker	tonne	1,088	727,49 $	791,51 $					791,51 $
	4 tobogans & a steel Sleigh	Camp to Baker	tonne	0,204	727,49 $	148,41 $					148,41 $
	Yamaha ATV	Camp to Baker	tonne	0,3	727,49 $	218,25 $					218,25 $
	Gemsteel Equipment	Camp to Baker	tonne	25	727,49 $	18 187,25 $					18 187,25 $
Subtotal- Remove Other Major Equipment						**258 240,16 $**					**258 240,16 $**
1.4 Kitchen/Dry Equipement	2 fridges 1 stove, 1 freezer	Camp to Baker	tonne	0,5	727,49 $	363,75 $					363,75 $
	2 washers, 1 dryer	Camp to Baker	tonne	0,249	727,49 $	181,15 $					181,15 $
	3 diesel stoves	Camp to Baker	tonne	0,069	727,49 $	50,20 $					50,20 $
	Weatherhaven office	Camp to Baker	tonne	2,7	727,49 $	1 964,22 $					1 964,22 $
	Weatherhaven coreshack (24' x 84')	Camp to Baker	tonne	4,4	727,49 $	3 200,96 $					3 200,96 $
	4 Wheaterhaven sleepers (14' x 16')	Camp to Baker	tonne	0,9	727,49 $	654,74 $					654,74 $
	19 Wheatersleepers wood (14' X 16')	Camp to Baker	tonne	0	727,49 $	0,00 $					0,00 $
	13 Wheater sleeper (12' x 12')	Camp to Baker	tonne	2,3	727,49 $	1 673,23 $					1 673,23 $
	Wheatherhaven shower/toilet (16' x 55')	Camp to Baker	tonne	2	727,49 $	1 454,98 $					1 454,98 $
	Cover -All 42' X 70'	Camp to Baker	tonne	2,495	727,49 $	1 815,09 $					1 815,09 $
	33 diesel stoves	Camp to Baker	tonne	0,46	727,49 $	334,65 $					334,65 $
	Miscellanous equipment/ustensils	Camp to Baker	tonne	4,5	727,49 $	3 273,71 $					3 273,71 $
	Subtotal for Ocean Freight	Baker to south	tonne	16,3	300,00 $	4 890,00 $					4 890,00 $
	Dismantle										
Subtotal - Remove Kitchen/Dry Tents & Equipement						**19 856,65 $**					**19 856,65 $**
1.5 Remove Structures/load out (dismantle)											
	Fabric tents						4	800,00 $	400,00 $	1 143,00 $	2 343,00 $
	Wooden Buldings-kitchen/dry						4	800,00 $	400,00 $	1 143,00 $	2 343,00 $
	Equipment/supplies onto trucks						4	800,00 $	400,00 $	1 143,00 $	2 343,00 $
Subtotal - Remove Structures/Load out							**12**	**2 400,00 $**	**1 200,00 $**	**3 429,00 $**	**7 029,00 $**
2.0 Reclamation											
2.1 Equipment work	D7H flatten slopes, fill sumps, roads, air strip and tank		op hrs	40	120,00 $	4 800,00 $	5	1 000,00 $	500,00 $	1 429,00 $	7 729,00 $
	Backfill trenches with Cat 307 Hoe		op hrs	120	100,00 $	12 000,00 $	6	1 200,00 $	600,00 $	1 714,00 $	15 514,00 $
2.2 Supplies/clean up and labor	Fertilizer		bulk	2	6 000,00 $	12 000,00 $	5	1 000,00 $	500,00 $	1 429,00 $	14 929,00 $
	Peat		bulk	2	6 000,00 $	12 000,00 $	5	1 000,00 $	500,00 $	1 429,00 $	14 929,00 $
	Scarify gravel walkays, airstip, tank						3	600,00 $	300,00 $	857,00 $	1 757,00 $
	Site clean up						2	400,00 $	200,00 $	571,00 $	1 171,00 $
2.3 Soil contamined	send to Baker lake facilities					100 000,00 $					100 000,00 $
2.4 Site monitoring	Contract	Year 1	flat rate	1	10 000,00 $	10 000,00 $					10 000,00 $
		Year 2	flat rate	1	6 000,00 $	6 000,00 $					6 000,00 $
Subtotal - Reclamation						**156 800,00 $**		**5 200,00 $**	**2 600,00 $**	**7 429,00 $**	**172 029,00 $**
Accomodation	**After camp breakdown**	**Hotel**	**mandays**	**5**	**250,00 $**	**1 250,00 $**					**1 250,00 $**
Project Management			**mandays**	**70**	**500,00 $**	**35 000,00 $**			**7 000,00 $**		**42 000,00 $**
Total cost - no contingency											**727 843,51 $**

Figure 1: Exploration Site Plan