# CLOSURE AND RECLAMATION PLAN

## PROPOSED NEW EXPLORATION CAMP AT KM 100

## *AGNICO-EAGLE MINES LTD - MEADOWBANK DIVISION*

Prepared by: Stéphane Robert
Environmental Project
Coordinator

Approved by: Larry Connell, P.Eng.
Regional Manager:
Environment, Social and
Government Affairs
Agnico-Eagle Mines Ltd

Revision 1
January 30, 2008

## Table of Contents

1. Introduction ..... 3
2. Demobilization at the end of activities ..... 4
   2.1. Fuel Removal ..... 4
   2.2. Fuel Storage Tank Removal ..... 4
   2.3. Fuel Drum Removal ..... 5
   2.4. Drill Equipment Removal ..... 5
   2.5. Camp Equipment Removal ..... 5
   2.6. Removal of Structures ..... 5
   2.7. Drill Core ..... 6
3. Revegetation ..... 6
   3.1. Rock Pads ..... 6
   3.2. Building and Core Rack Bases ..... 6
   3.3. Roadways ..... 6
4. Post Closure Site Monitoring ..... 7
5. Reclamation Cost Estimate ..... 7

## 1. Introduction

Agnico-Eagle Mines Limited (AEM), the new owner of the Meadowbank Gold Project, plans to continue exploration at and around the Meadowbank property by conducting geophysical surveys, prospecting and diamond drilling. The current exploration camp (covered by Water License NWB 2BE-MEA0507) is located on the Meadowbank Project site and will be overwhelmed by the proposed construction of the mine facilities. Consequently AEM proposes to relocate the current exploration camp to a new site. This "new" exploration camp will be referred to as the Exploration Camp km 100 in this document to support an amendment to NWB 2BE-MEA0507.

Before the beginning of the main construction program (scheduled to start in the summer of 2008) AEM proposes to increase the capacity of the existing camp by installing the components of new permanent accommodation facilities (the new camp) at the Meadowbank site; this will allow the capacity at this camp to increase gradually to a maximum of 200 persons by July 2008. At the same time AEM proposes to construct the new Exploration Camp KM 100 using components from the existing Meadowbank exploration camp combined with components of the existing road construction camp (assuming these components can be purchased from NUNA M&T Services). AEM would then operate out of both camps starting during the second quarter of 2008.

The "new" Exploration Camp KM 100 will be used for ongoing and future mineral exploration efforts in the area of the Meadowbank Project, specifically to explore additional mineralised zones (PDF, Marge Bay, Pipedream Lake) outside the known Meadowbank ore zones. It will also be used for short term overflow accommodations during the construction phase.

AEM proposes that this new Exploration Camp be constructed near Third Portage Lake adjacent to km 100 on the all weather private access road (AWPAR) between the Hamlet of Baker Lake and the Meadowbank site. The Exploration Camp KM 100 will be located approximately 65 km north of Baker Lake, on Inuit owned lands (IOL BL-14), and as such is subject to land and water use approvals by the Kivalliq Inuit Association and the Nunavut Water Board. The Exploration Camp KM 100 will replace the existing exploration camp and will be used to continue support in the coming years for ongoing mineral exploration efforts in the area of the Meadowbank Project, specifically to explore additional mineralised zones (PDF, Marge Bay, Pipedream Lake) outside the known Meadowbank ore zones.

The Exploration Camp Km 100 will be erected in close proximity to the AWPAR road and Third Portage Lake. The proposed camp will have a maximum capacity of 85 persons, with an average occupancy at the camp of 40 persons. The proposed camp will consist of relocated existing trailer units, Weatherhaven tent units, several wood buildings and two coverall tent units. Fuel storage systems at the site will use the three existing 50,000 litres double-walled storage tanks for diesel fuel and one 75,000 litres

double walled storage tank for Jet A fuel. These tanks will be relocated from the current Meadowbank project site.

The Exploration Camp Km 100 is located at 65$^{o}$ 01' 52''N latitude and 96$^{o}$ 9' 22''W longitude on NTS map sheet 66H/1. This abandonment and restoration plan has been prepared in support of the amendment to NWB 2BE-MEA0507 Type B Water License and the Land Use License Applications for the proposed "new" exploration camp at km 100 along the AWPAR between Baker Lake and the Meadowbank Project site. 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 are provided below. An itemized breakdown of the projected costs to complete the work is provided in table 1.

## 2. Demobilization at the end of activities

In the event of the Exploration Camp Km100 shutdown, 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 on barges from Baker Lake to southern locations. Local persons and businesses will be given the 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 cores stored on racks at the site.

### 2.1. 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 activities. Any remaining fuel will be transported to Baker Lake and sold to local interests.

### 2.2. Fuel Storage Tank 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 fuel tanks will be offered to local interests prior to shipment from Baker Lake.

After the removal of the fuel storage tanks, 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' (a commercial oil adsorbent product) which encapsulates and consumes the hydrocarbons, or it will be hauled to Baker Lake for disposal to 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.

### 2.3. Fuel Drum 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 cost of transportation. The fuel drums will also be offered to local interests.

### 2.4. 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.

### 2.5. Camp Equipment Removal

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

### 2.6. Removal of Structures

The Exploration Camp Km 100 (not currently under use) consists of the following structures:

- 4 x 12’ x 60’ trailers to form the camp kitchen,
- 9 x 12’x60’ trailers for bedroom/sleeping units,
- 1 x 12’x60’ Weatherhaven shower/toilet tent units,
- 1 x 24’x 84’ Weatherhaven to be used as core shack ,
- 1 x 24’ x 32’ Weatherhaven to be used as an office tent,
- 1 x plywood generator shed and a driller’s shop, and
- 1 x 42’ x 70’ temporary Cover-all fabric building to be used as a garage and storage.

All Weatherhaven units and the trailers will be removed by AEM. All remaining structures and building materials will be burned on site with the non-combustible

remainder collected and removed to the mine landfill if in service or to the municipal landfill at Baker Lake. The rigid structures and Weatherhaven units will be offered to local interests.

### 2.7. Drill Core

It is intended that the drill core will remain at the site after camp demobilisation.

## 3. Revegetation

The natural re-vegetation of the site will be slow due to the dry conditions that exist within the region and at the camp. The use of fertilizers is most effective in moist sites; while it helps on drier sites, the response by the tundra plant community on the elevated ground occupied by the new camp will be significantly slower with increased weather/climate exposure. There will be three different surface conditions that require reclamation on termination of activities at the present camp site, as described below.

### 3.1. Rock Pads

Rock pad will have been placed on the lease area to establish a level supporting surface under all structures. The natural surface will remain stable and will be bordered by natural vegetation. The rock will be mixed with peat and fertilizer and be dispersed; the original ground surface will be fertilized and allowed to re-vegetate naturally.

### 3.2. Building and Core Rack Bases

The prolonged presence of structures prevents plant growth by decreasing sun-light to the availability to the plants on the site. The ground surface will remain stable and over time plants will begin to re-establish. Plant germination and subsequent re-vegetation will be enhanced by limited scarification and through the application of fertilizer throughout the lease area.

### 3.3. 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. Post Closure Site Monitoring

After the completion of reclamation, two years of annual terrestrial and aquatic 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 nearby waterbodies. Reports, including photographs, will be submitted to the land owner (KIA) and to the NWB.

## 5. Reclamation Cost Estimate

Cost estimates for the above activities are based on unit costs and unit project management costs are estimated at 30 days at $500/day or $15,000. 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 at km 100

## Cost estimate of reclamation as of December 2007

| activity | Sub-activity | Item | Unit | # Units | Cost/Unit | Cost by act | # 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 | 10 | 727,49 $ | 7 274,90 $ | | | | | 7 274,90 $ |
| | 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 $ |
| **Subtotal - Remove Fuel &tanks** | | | | | | **13 396,40 $** | | **0,00 $** | **0,00 $** | **0,00 $** | **13 396,40 $** |
| 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 $** |
| | 2 pick-up (3 tonnes | Camp to Baker | trip | 2 | 1 320,00 $ | 2 640,00 $ | | | | | 2 640,00 $ |
| | 2-BLY skidders (12 tonnes0 | Camp to Baker | trip | 2 | 1 320,00 $ | 2 640,00 $ | | | | | 2 640,00 $ |
| | 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 $ |
| | 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 | 21,7 | 300,00 $ | 6 510,00 $ | | | | | 6 510,00 $ |
| | 50 kw generator | Camp to Baker | tonne | 1,134 | 727,49 $ | 824,97 $ | | | | | 824,97 $ |
| | 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 $ |
| | 10 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 $ |
| | ATV | Camp to Baker | tonne | 0,3 | 727,49 $ | 218,25 $ | | | | | 218,25 $ |
| **Subtotal- Remove Other Major Equipment** | | | | | | **31 282,70 $** | | | | | **31 282,70 $** |
| 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 $ |
| | 6 trailers (13' x 60') | Camp to Baker | tonne | 24 | 727,49 $ | 17 459,76 $ | | | | | 17 459,76 $ |
| | 7 Wheater sleeper (12' x 12') | Camp to Baker | tonne | 1,5 | 727,49 $ | 1 091,24 $ | | | | | 1 091,24 $ |
| | 2 Wheatherhaven shower/toilet (16' x 55') | Camp to Baker | tonne | 4 | 727,49 $ | 2 909,96 $ | | | | | 2 909,96 $ |
| | 2 Cover -All 42' X 70' | Camp to Baker | tonne | 4,99 | 727,49 $ | 3 630,18 $ | | | | | 3 630,18 $ |
| | 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 | 46,908 | 300,00 $ | 14 072,40 $ | | | | | 14 072,40 $ |
| | Dismantle | | | | | | | | | | |
| **Subtotal - Remove Kitchen/Dry Tents & Equipement** | | | | | | **48 197,50 $** | | | | | **48 197,50 $** |
| 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, | | op hrs | 20 | 120,00 $ | 2 400,00 $ | 5 | 1 000,00 $ | 500,00 $ | 1 429,00 $ | 5 329,00 $ |
| | Backfill trenches with Cat 307 Hoe | | op hrs | 20 | 100,00 $ | 2 000,00 $ | 6 | 1 200,00 $ | 600,00 $ | 1 714,00 $ | 5 514,00 $ |
| 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, | | | | | | 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 | | | | | 50 000,00 $ | | | | | 50 000,00 $ |
| 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** | | | | | | **94 400,00 $** | | **5 200,00 $** | **2 600,00 $** | **7 429,00 $** | **109 629,00 $** |
| **Accomodation** | **After camp breakdown** | **Hotel** | **mandays** | **5** | **250,00 $** | **1 250,00 $** | | | | | **1 250,00 $** |
| **Project Management** | | | **mandays** | **30** | **500,00 $** | **15 000,00 $** | | | **7 000,00 $** | | **22 000,00 $** |
| **Total cost - no contingency** | | | | | | | | | | | **266 859,99 $** |

**Figure 1: Exploration Site Plan**