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March 31, 2008

Via email and Xpresspost

Mr. Richard Dwyer
Licensing Administrator
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0
Phone: (867) 360-6338

Dear Mr. Dwyer,

Re: Meadowbank Water License 2BE-MEA0813 Part I, Item 2

Please consider this letter as response to the requirement for an addendum to the Closure and Reclamation Plan, as per Water License 2BE-MEA0813 Part I, Item 2:

The Licensee shall submit, within (30) days of issuance of the Licence, an Addendum to the Plan referred to in Part I, Item 1, to address issues identified:

- a. Take into consideration the recommendations provided by the GN-DoE and INAC in their review of the Plan;*
- b. Section 4.4 Burned Sites; This section is to be revised to reflect Part D, Item 2 whereby open burning is restricted unless otherwise approved by the Board.*

In light of the recent amendment application submitted under 2BE-MEA0813, Agnico-Eagle Mines Ltd. (AEM) requests an extension to the 30 day requirement of Part I, Item 2 until such time that the NWB and interested parties have had an opportunity to comment on the amended Plan entitled, 'Closure and Reclamation Plan, Meadowbank Exploration Camp, Revision 0, March 6, 2008.'

I look forward to hearing your direction on this matter. Please contact me should you have any questions regarding this submission.

Regards,

A handwritten signature in black ink, reading "RL Gould". The letters are cursive and fluid, with the first name "Rachel" abbreviated as "RL" and the last name "Gould" written in full.

Rachel Lee Gould, MSc.
Project Manager, Environmental Permitting and Compliance Monitoring



CLOSURE AND RECLAMATION PLAN

MEADOWBANK EXPLORATION CAMP

AGNICO-EAGLE MINES LTD - MEADOWBANK DIVISION

Prepared by: Rachel Lee Gould, M.Sc.
Project Manager:
Environmental Permitting
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Approved by: Larry Connell, P.Eng.
Regional Manager:
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Agnico-Eagle Mines Ltd

Revision 0
March 6, 2008

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Table 1: Meadowbank Project Exploration Camp at km 100, Cost Estimate of Reclamation as of December 2007

Figure 1: Exploration Site Plan

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-MEA0813) is located on the Meadowbank Project site and will be overwhelmed by the proposed development of the Meadowbank Gold Mine.

AEM proposes that the exploration camp be located 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, approximately 65 km north of Baker Lake, at 65° 01' 52''N latitude and 96° 9' 22''W longitude on NTS map sheet 66H/1. As this is Inuit owned lands (IOL BL-14), the camp is subject to land and water use approvals by the Kivalliq Inuit Association and the Nunavut Water Board.

The exploration camp 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 to construct this new exploration camp by purchasing and relocating the NUNA M&T Services Ltd existing road construction camp from its current location near Baker Lake. The camp will be erected in close proximity to the AWPAR road and Third Portage Lake, south of the existing Meadowbank mine facilities. The proposed camp will have a maximum capacity of 85 persons, with an average population of 40 persons, and will consist of trailer units, Weatherhaven tent units, a wooden building and one coverall tent. Fuel storage systems at the site will use the three existing 50,000 litres double-walled self contained storage tanks for diesel fuel and one 75,000 litres double walled self contained storage tank for Jet A fuel. These tanks will be relocated from the current Meadowbank project site.

This abandonment and restoration plan has been prepared in support of the amendment to NWB 2BE-MEA0813 Type B Water License. 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 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 using highway tank trucks. 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, the soil and gravel under the tanks and fuel dispensing station will be tested for hydrocarbon contamination. Any contaminated soils related to the fuel storage area will be removed and placed into drums and either shipped to the landfarm facility at the Meadowbank Mine site or south for disposal in an appropriate hazardous waste facility if the Meadowbank landfarm facility is not available. 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 will consist 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 will take place in 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, attached to this document, 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 activity	# 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 drums	litres	2000	0,59 \$	1 178,00 \$					1 178,00 \$
	1.1.2 remove Fuel Vaults	Camp to Baker	litres	2050	0,59 \$	1 207,45 \$					1 207,45 \$
			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 \$
Subtotal - Remove Drill Equipment						31 732,39 \$	4	800,00 \$	400,00 \$	1 143,00 \$	2 343,00 \$
								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 \$
	Miscellaneous equipment/utensils	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 \$
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, Backfill trenches with Cat 307 Hoe		op hrs	20	120,00 \$	2 400,00 \$	5	1 000,00 \$	500,00 \$	1 429,00 \$	5 329,00 \$
			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 contaminated	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

