MEADOWBANK Exploration camp

Closure and Reclamation Plan

Prepared by:

Agnico-Eagle Mines Limited, Exploration Division

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Revised by: David Frenette
Environment and Health & Safety Coordinator

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Approved by:

Stephane Robert
Manager Regulatory Affairs Nunavut
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1. Introduction

Agnico-Eagle Mines Limited (AEM), the owner of the Meadowbank Gold Project, plans to continue exploration at and around the Meadowbank property by conducting geophysical surveys, prospecting, trenching and diamond drilling. The current exploration camp (covered by Water License NWB 2BE-MEA0813) is 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 65o 01' 52''N latitude and 96o 9' 22''W longitude on NTS map sheet 66H/1 on the Inuit Owned Lands (IOL BL-14). The exploration camp is used for ongoing and future mineral exploration efforts in the area of the Meadowbank Project, specifically to explore new mineralised zones. The camp has a maximum capacity of 85 persons, with an average population of 40 persons, and consists of trailer units. Fuel storage systems at the site is composed from one 75,000 litres and one 10,000 litres both double walled self-contained storage tanks for diesel fuel and one 75,000 litres double walled self-contained storage tank for Jet A fuel. The reader is referred to figure 1 below for a picture showing the 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

No remaining fuel should be present at the closure of the camp. We are supplied by the mine, so all remaining fuel would be relocated at the mine site.

2.2. Fuel Storage Tank Removal

Portable bulk fuel storage tanks (10,000 and 75,000 litres capacity) will be hauled overland to Baker Lake and shipped south on a barge if the Meadowbank Mines doesn't want them. 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 brought to the landfarm facility at the Meadowbank Mine site or placed into drums and shipped to 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

The empty fuel or oil drums are brought at the Meadowbank mine site each week for disposal, so no stock is present at the exploration camp.

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 consists of the following structures:

- 4 - 12’ x 60’ trailers to form the camp kitchen;
- 9 - 12’ x 60’ trailers for bedroom/sleeping units ;
- 1 - 12’ x 60’ trailers for water tanks;
- 3 - 12’ x 60’ trailers for office, living room;
- 1 - 12’ x 60’ trailer for entrance
- 1- 12’ x 24’ drillers shack
- 3 - 8’ x 20’ sea cans for 2 gensets and 1 for electric panel;
- 1 - 30’ x 80’ core shack;
- 1 - 42’ x 50’ Cover-all for drillers;
- 1 - 50’ x 70’ Garage
- 1 -8’ x 20’ sea can for drillers dry;
- 37 - 8’ x 20’ sea cans for material;
- 4 - 8’ x 40’ sea cans for material;
- 1 - 8’ x 20’ sea can for drillers dry
- 1 - 8’ x 20’ sea can for smoking room;

- 4 - 8’ x 20’ sea can for food;
- 1- 8’ x 12’ grey water shack and
- 1 sewage tank.

All units and 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. The rigid structures and other 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 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 have been placed on the lease area to establish a level supporting surface under all structures. The natural surface is remain stable and is bordered by natural vegetation. The rock will be mixed with peat and fertilizer.

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 Reclamation cost estimate

Meadowbank Project Exploration camp at km 100
Cost estimate of reclamation as December 2012

Activity	Sub-activity	Item	Unit	#Units	Weight/ unit in kg	Total weight in kg	Cost/unit	Allocation of camp costs 100$	Total for Activity
Demobilisation Fuels/tanks	Fuel tanks 75 000 L	Camp to Baker		2			$308.70		$617.40
	Fuel tank 10 000L	Camp to Baker		1			$154.35		$154.35
	Removal	Workers	mandays	2			$250.00	$200.00	$700.00
	Ocean freight	**Baker to South**		**3**			**$844.28**		**$2,532.84**
Demobilisation Orbit equipment	Drills (Orbit-Garant Drilling hydraulic rigs);	Camp to Baker		6	9000	54000	$0.08		$4,531.14
	Skidders - Clark 240;	Camp to Baker		2	11000	22000	$0.08		$1,846.02
	Sloop	Camp to Baker		1	1700	1700	$0.08		$142.65
	D6 Caterpillar	Camp to Baker		1	17500	17500	$0.08		$1,468.43
	Snowmobiles	Camp to Baker		8	280	2240	$0.08		$187.96
	Seacans (approx 5000kg each)	Camp to Baker		48			$154.35		$7,408.80
	Trailers	Camp to Baker		2	3000	6000	$0.08		$503.46
	Moorooka	Camp to Baker		1	20000	20000	$0.08		$1,678.20
	4000 fuel tank on skid	Camp to Baker		6	2000	12000	$0.08		$1,006.92
	Containers on sloop	Camp to Baker		20	3400	68000	$0.08		$5,705.88
	Pick-up	Camp to Baker		5	2300	11500	$0.08		$964.97
	3.0 m HWT casing	Camp to Baker		187	35	6545	$0.08		$549.19
	1.5 m HWT casing	Camp to Baker		84	17	1428	$0.08		$119.82
	3.0 m rods NRW	Camp to Baker		714	28	19992	$0.08		$1,677.53
	3.0 m rods BT	Camp to Baker		815	28	22820	$0.08		$1,914.83
	1.5 m rods NRQ	Camp to Baker		23	17	391	$0.08		$32.81
	2' rods NRQ	Camp to Baker		45	5	225	$0.08		$18.88
	Removal	Workers	mandays	8			$250.00	$800.00	$2,800.00
	Ocean freight containers	**Baker to south**		**48**			**$844.28**		**$40,525.44**
	Ocean freight bulk	**Baker to south**				**266341**	**$0.22**		**$58,501.80**
Demobilisation Agnico-Eagle equipment	Pick-up trucks - Ford F250	Camp to Baker		2	2200	4400	$0.08		$369.20
	Back hoe - Caterpillar D420;	Camp to Baker		1	7025	7025	$0.08		$589.47
	Mini excavator Kubota Model k008-3	Camp to Baker		1	920	920	$0.08		$77.20
	Snowmobiles; and	Camp to Baker		3	280	840	$0.08		$70.48
	ATV Honda Foreman	Camp to Baker		1	290	290	$0.08		$24.33
	Materials sea cans	Camp to Baker		10			$154.35		$1,543.50
	Generator SR4	Camp to Baker		1	13158	13158	$0.08		$1,104.09
	Generator SR4B	Camp to Baker		1	13158	13158	$0.08		$1,104.09
	Removal	Workers	mandays	2			$250.00	$200.00	$700.00
	Ocean freight containers	**Baker to South**		**10**			**$844.28**		**$8,442.80**
	Ocean freight bulk	**Baker to South**				**39791**	**$0.22**		**$8,754.02**
Demobilisation Buildings	12' x 60' trailers	Camp to Baker		18	4000	72000	$0.08		$6,041.52
	8' x 20' sea cans for 2 gensets and 1 for electric panel	Camp to Baker		3			$154.35		$463.05
	30' x 80' core shack	Camp to Baker		1	4400	4400	$0.08		$369.20
	42' x 50' Cover-all	Camp to Baker		1	4200	4200	$0.08		$352.42
	50' x 70' Garage	Camp to Baker		1	5000	5000	$0.08		$419.55
	8' x 12' grey water shack and	Camp to Baker		1			$154.35		$154.35
	Removal	Workers	mandays	12			$250.00	$1,200.00	$4,200.00
	Ocean freight containers	**Baker to South**		**3**			**$844.28**		**$2,532.84**
	Ocean freight bulk	**Baker to South**				**85600**	**$0.22**		**$18,832.00**
Reclamation; Equipment work	D6 flatten slopes, fill sumps, scarify gravel pad		op hrs	20			$200.00		$4,000.00
	Backfill trenches with Backhoe/loader		op hrs	20			$150.00		$3,000.00
Reclamation; Supplies/clean up and labor	Fertilizer		bulk	2			$6,000.00		$12,000.00
	Peat		bulk	2			$6,000.00		$12,000.00
	Site clean up, fertilizer and peat		man/day	12			$250.00	$1,200.00	$4,200.00
Site monitoring	Contract	Year 1	flat rate						$10,000.00
		Year 2	flat rate						$6,000.00
Project Management			mandays	30			$500.00		$15,000.00
Total Cost									**$257,933.42**

Transport Cost		
Explo camp to Baker Lake		
Transport cost, 1 container 20 feet full or empty	$	154.35
Transport cost for bulk material (by ton)	$	83.91
Baker Lake to Becancour		
Transport cost, 1 container 20 feet with 20 tons	$	844.28
Transport cost for bulk material (by ton)	$	219.65

Figure 1 Meadowbank Exploration Camp by October 2012