AGNICO EAGLE

AMARUQ AND MEADOWBANK

EXPLORATION PROJECTS

Conceptual Closure and Reclamation Plan & RECLAIM Estimate

DOCUMENT CONTROL

Version	Date (YMD)	Section	Page	Revision
1	2014-June-11			Draft 1 of the Conceptual Closure and Reclamation Plan
2	2014-08-28			Merged the Meadowbank Exploration and Amaruq Exploration Projects for closure and Reclamation
3	2014-10-05	9	7 & 8	Corrections made to Table 1 and 2 as they were in error. They now match the spreadsheets in Appendices A and B
4	2015-01-12			Trailers from the Meadowbank exploration camp moved to the Amaruq Project site. This change is reflected in the Plan and in the RECLAIM calculations.
5	2016-02-24			Updated the entire Plan to reflect the changes in infrastructure
6	2016-03-15	9 & 10	10 to 13	Added the portal/ramp, 2 additional dormitory wings, two Bionest sewage treatment plants, two pads constructed with waste rock, and a rock quarry to the Plan
7	2020-10-15			Complete document revision and update in relation with 2BB-MEA1828 amendment 2

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Table of Contents

1. Introduction

This plan describes the concepts for the closure and reclamation of the Amaruq and Meadowbank Exploration Projects under water licence 2BB-MEA1828.

Agnico Eagle Mines Limited's Meadowbank Exploration camp 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 mine site. The Amaruq Exploration Project is located approximately 50 kilometres (km) NNW of the Meadowbank mine site. The intent of the Meadowbank and Amaruq exploration projects is to explore Agnico Eagle's mineral leases and mineral claims for potential gold deposits. The Meadowbank Exploration Camp was established in 2008 while the Amaruq exploration camp was established in 2013. Both were used to undertake geological, geochemical, and/or geophysical exploration. Diamond drilling is also being used in exploring more promising areas on the mineral leases and claim blocks.

In 2014, trailers located at the Meadowbank exploration camp were prepared for transport over the winter road to the Amaruq site. These were moved to the Amaruq site in early 2015 and then installed. The remaining infrastructure at the Meadowbank Exploration Project camp will remain in place for the time being.

Following the construction of the mine camp site, the Amaruq exploration camp has not been reinstalled at its new authorized location so it is not presently in use. Workers associated to exploration activities are lodging at the Whale Tail Camp site and services are given to regional exploration teams from this site too. Reclamation costs of the Amaruq exploration camp are nevertheless estimated in this document and a security letter was provided since Agnico Eagle maintains the authorizations to install it.

2. Closure and Reclamation Principles

The conceptual reclamation and closure plan for the exploration projects covered by water licence 2BB-MEA1828 has the objective of mitigating the negative environmental effects of the camp sites and exploration activities on the surrounding natural environment. Wherever practicable, progressive reclamation will be employed before final closure and reclamation commences, with the intent of returning negatively impacted areas to productive and lasting use by wildlife and humans as soon as possible.

Agnico Eagle's conceptual closure and reclamation plan for its Amaruq and Meadowbank Exploration Projects is guided by the following four principles[1]:

1. *Physical Stability* – Any project component that remains after closure should be constructed or modified at closure to be physically stable, ensuring it does not erode, subside, or move from its intended location

[1] Principles largely adapted from the Mackenzie Valley Land and Water Board and Aboriginal Affairs and Northern Development, November 2013. *Guidelines for the Closure and Reclamation of Advanced Mineral Exploration and Mine Sites in the Northwest Territories*

under natural extreme events or disruptive forces to which it may be subjected. Closure and reclamation will not be successful in the long-term unless all physical structures are designed such that they do not pose a hazard to humans, wildlife, aquatic life, or environmental health and safety;

2. *Chemical Stability* – Any project component (including associated wastes) that remains after closure should be chemically stable; chemical constituents released from the project components should not endanger human, wildlife, or environmental health and safety, should not result in the inability to achieve the water quality objectives, and should not adversely affect soil or air quality in the long term.
3. *No Long-Term Active Care* – Agnico Eagle will make all practical efforts to ensure that any project component that remains after closure does not require long-term active care and maintenance. Thus, any post-closure monitoring can only continue for a defined period of time. Physical and chemical stability will help ensure achievement of this principle.
4. *Future Use (including aesthetics and values)* – Wherever practical, closed sites should be compatible with the surrounding lands and water bodies upon completion of the closure activities.

3. Closure and Reclamation Approach

A practical, cost-effective approach will be central to closure and reclamation. The intent is to pursue closure and reclamation based on the four principles noted above such that long-term active care is not required for the drill sites, camps and other infrastructure.

The Plan will be updated, and revised as required on a regular basis, and will ultimately result in a final Plan upon closure. Each iteration of the Plan will provide more details and greater certainty regarding the sequence of events to be undertaken for closure and reclamation.

Progressive reclamation will be practiced in reclaiming areas that are no longer needed for exploration by physically and/or chemically stabilizing disturbed land surfaces and promoting re-vegetation. This approach will employ best practices and will ultimately advance the return of reclaimed areas to natural conditions while at the same time reducing the overall cost of final closure and reclamation.

Wastes will be managed on an ongoing basis at the two sites and consequently, there will be little to no accumulation of wastes on site. When no longer needed, obsolete equipment, metal waste, surplus chemicals, hazardous waste, and buildings will be removed to Agnico Eagle's port and laydown facilities in Baker Lake for shipment south to a certified waste management company for treatment, recycling and/or disposal in another provincial or territorial jurisdiction[2] or to Agnico Eagle's approved landfill at Meadowbank for waste suitable for landfilling. At the Amaruq exploration camp, all domestic and camp waste suitable for incineration will be transported to the Meadowbank mine site for disposal or incinerated in the on-site incinerator with the ash returned to the Meadowbank Gold Mine for disposal in their landfill, if it is suitable to do so. For the

[2] The RECLAIM model described later in this Conceptual Closure and Reclamation Plan assumes that the Meadowbank Gold Mine is not available in the final closure of the Exploration Projects. However, ongoing management of wastes during Project operations will use the waste management facilities available at the Meadowbank Gold Mine.

Meadowbank Exploration Project, all waste will be transported to the Meadowbank mine site for disposal and management in the approved landfill by mine staff.

4. Infrastructure

4.1 Amaruq Exploration Project

The authorized camp site is now located approximately 2.7km mostly east of the initial location, which has now become a mine site. The following infrastructure will be located at the Amaruq exploration campsite:

1. Trailers providing rooms for up to 75 workers, tents for offices, a core shack, a core splitting room, a garage, a kitchen, a dry, showers and toilets
2. Double walled envirotanks holding petroleum hydrocarbons with a total capacity of 160,000 litres. All the diesel and jet fuel, is stored in one 50,000 and one 100,000-litre envirotank and the gas is stored in one 10,000-litre double wall tank;
3. Three Bionest treatment systems for camp waste water (black and grey);
4. A small incinerator for incinerating solid, non-hazardous, combustible camp waste;
5. A stick built building for the camp's generators providing electricity to camp site;

4.2 Meadowbank Exploration Project

Agnico Eagle Mines Limited's Meadowbank Exploration Project is located near Third Portage Lake at kilometre 100 on the AWPAR between Baker Lake and the Meadowbank Gold Mine.

The following infrastructure is located at the Meadowbank exploration campsite:

1. Two - double walled envirotanks holding diesel fuel with a total capacity of 85,000 litres;
2. One - double walled envirotank holding helicopter jet fuel with a total capacity of 75,000 litres;
3. One - 12 by 24 foot drillers' shack;
4. One - 42 by 50 foot coverall for drillers;
5. One - 50 by 70 foot Garage; and
6. Fifty - 8 by 20 foot Sea cans.

5. Conceptual Closure and Reclamation of AMARUQ and Meadowbank Exploration Projects

The following scenario assumes that Agnico Eagle no longer renews any permits, leases, licenses and other authorizations for the Amaruq and Meadowbank Exploration Projects, and enters into reclamation and closure. To be conservative in calculating costs for reclamation and closure, it is assumed that the Meadowbank mine site will not be available to provide services during closure and reclamation activities but that the All Weather Private Access Road (AWPAR) between Meadowbank and Baker Lake will be available to transport all materials and fuel from the two sites to Agnico Eagle's port and laydown facilities in Baker Lake.

All equipment, structures, camp and drill supplies, fuel, fuel pumps, envirotanks and wastes will be removed from the project areas prior to expiry of the land use permits and lease. Fuel will first be pumped from all envirotanks to tanker trucks prior to their movement.

If practicable, solid combustible non-hazardous waste will be incinerated on site with any metals recovered from the ash and placed in containers suitable for shipment. Waste materials to be incinerated include wood tent floors, wood corridors, wood roofs and stick built buildings.

At the Amaruq Exploration site, trailers will be used for reclamation and closure activities. All tents will be disassembled and prepared for transport. All equipment, trailers, drill supplies, envirotanks, fuel and chemicals will be prepared for transport. Buildings will be disassembled for transport, or demolished and incinerated on site. Wastes that cannot be incinerated will be prepared for transport. Transport, flat bed and tanker trucks will move all materials and fuel from the Amaruq site to Agnico Eagle's port facility and laydown in Baker Lake via the roads.

Sea cans, empty envirotanks, fuel, fuel pumps and disassembled buildings will all be moved from the Meadowbank Exploration site via the AWPAR to Agnico Eagle's port facility and laydown in Baker Lake. Non-hazardous, solid, combustible waste will be incinerated on site; this includes any stick built structures.

At both sites, the only materials and structures remaining after closure and reclamation will be drill cores stored on racks.

5.1 Heavy Equipment

Heavy equipment, generators, incinerators, drills, trailers and other equipment are valuable and reusable. These will be moved to Agnico Eagle's port facility at Baker Lake for storage, sale and/or shipment south on the annual sealift. Equipment having no salvage value will be cleaned of hydrocarbons and shipped south for recycling.

5.2 Fuel, Drilling Supplies and Chemicals

Fuel from both camps will be removed from the envirotanks prior to these being moved. Fuel resupply the year before closure will be planned to leave a minimum amount in the envirotanks that will be required for closure activities. Tanker trucks will transport the residual fuel to Baker Lake where it will be sold.

All useful drilling supplies such as salt and other drilling compounds such as grease will be removed to Baker Lake for sale, shipment and/or storage.

All chemicals and hazardous materials still in unopened packages at closure will be used elsewhere by Agnico Eagle, sold or shipped south. Open packages and waste materials will be shipped to a certified waste management company for treatment, recycling and/or disposal in another provincial or territorial jurisdiction.

The ongoing annual removal of surplus chemicals and hazardous waste, and the immediate clean-up of spilled materials will minimize the quantity of material requiring handling, packaging and removal upon closure.

5.3 Non-combustible and Combustible Waste

All non-combustible, non-hazardous and hazardous liquid and solid waste from both exploration sites will be transported to Baker Lake in proper containers for shipment south to a certified waste management company for treatment, recycling and/or disposal.

5.4 Camp Sites

The camp areas will be allowed to re-vegetate naturally once cleared of all buildings and other infrastructures. Revegetation is expected to be slower in higher, drier areas than in low-lying, moist areas. Where they exist, irregular surfaces will be left in place as these capture snow over the winter, which in turn provides moisture to plants in the spring.

5.5 Reclamation of Drill Sites

All drill sites will be reclaimed. Following completion of a drill hole, and if possible, the casing will be pulled. If it cannot be pulled, the casing will be cut off at or below ground level. Water and drill cuttings will naturally flow down the hole or casing and freeze in place thereby plugging the drill hole. Fertilizer and/or peat moss may be applied to drill sites in the spring or over the summer period. These additives can assist in the recovery of the plants in the immediate vicinity of the drill hole and for the re-establishment of vegetation where plants were lost.

5.6 Storage of Drill Core

Upon closure, the cores will be evaluated for long-term storage stability. Cores stored in unstable conditions will be restacked on more durable pads for long-term storage and access.

5.7 Rock Quarry and Eskers

Quarry #1 authorized and used under licence 2BB-MEA1828 is now included within the Whale Tail Pit footprint, so this area is now covered by the reclamation and closure plan for the mine site.

Borrow pits at eskers 7, 7B

Upon closing, the borrow pits will have gently sloping walls and will have positive drainage if possible. With prudent initial design, the borrow pit will require little reclamation. The area will be gently contoured to have positive drainage so water does not pond over the buried material. The surface would then be allowed to re-vegetate.

6. Cost of Implementing Reclamation and Closure

RECLAIM 7.0 was used in calculating the costs of reclamation and closure. The calculation of costs is conservative. It assumes no reliance on the Meadowbank Mine for services during closure, but does assume that the All-weather Private Access Road (AWPAR) from the Meadowbank Mine to Baker Lake will remain available for use. Similarly, it is assumed that the access from Meadowbank to Amaruq will be used during reclamation and closure.

A summary of costs is provided in table 1 for the Amaruq and Meadowbank Exploration projects. Appendix A provides more details on the calculated costs for the sites.

Table 1. Summary of RECLAIM costs for Closure and Reclamation of Amaruq and Meadowbank Exploration Projects

CAPITAL COSTS	COMPONENT NAME	COST
QUARRY	Quarry and eskers	$29 869
BUILDINGS AND EQUIPMENT		$462 155
CHEMICALS AND CONTAMINATED SOIL MANAGEMENT		$302 592
SURFACE AND GROUNDWATER MANAGEMENT		$34 400
INTERIM CARE AND MAINTENANCE		$39 774
	SUBTOTAL: Capital Costs	**$868 789**

INDIRECT COSTS		COST
MOBILIZATION/DEMOBILIZATION		$53 848
ENGINEERING	5%	$43 439
PROJECT MANAGEMENT	5%	$43 439
HEALTH AND SAFETY PLANS/MONITORING & QA/QC	1%	$8 688
BONDING/INSURANCE	1%	$8 688
CONTINGENCY	20%	$173 758
	SUBTOTAL: Indirect Costs	**$331 861**

TOTAL COSTS	**$1 200 650**

Appendix A Amaruq and Meadowbank exploration projects Closure and Reclamation Calculation – Relevant Pages from RECLAIM 7

Quarry and eskers

ACTIVITY/MATERIAL	Notes	Units	Quantity	Cost Code	Unit Cost	Cost
CONTROL ACCESS						
Signs	Do not enter signs in local Dialect and English	each	10	SH	$37.08	$371
Berm at crest	Only required at the rock quarry	m3	1800	RB1L	$11.40	$20 520
Barrier to access roads	Material to barricade access road	m3	20	RB1L	$11.40	$228
STABILIZE SLOPES						
Stability of quarry walls	Scaling of rock quarry walls	hrs	50	load-s	$175.00	$8 750
					Total	$29 869

Building and equipment

ACTIVITY/MATERIAL	Notes	Units	Quantity	Cost Code	Unit Cost	Cost
MOVE MOBILE EQUIPMENT TO BAKER LAKE	New Camp following Relocation					
Transfer mobile equipment	assumed 20 pieces to be moved	allow	20	AEM	$2 500.00	$50 000
REMOVE BUILDINGS	New Camp following Relocation					
Accommodation complex - main camp	Tents removed from site and transferred to Baker lake	m2	632.0	BRW	$41.00	$25 912
20 Trailers	Relocate to Baker Lake	each	20	AEM	$2 500.00	$50 000
Wood framed structure	Wooded tent frames, corridors and dock	m2	120	BRM	$41.00	$4 920
Drills	Assumed they will be removed from site at end of season	m2		#N/A	$0.00	$0
Water and wastewater treatment facilities	Decommission of portable systems	each	5	#N/A	$4 000.00	$20 000
AN Storage Facility	5 above and 2 below ground containers	m2	7	#N/A	$4 000.00	$28 000
Warehouse, shops and others	Dismantle sprung bldg. and relocate to Baker Lake	each	4	#N/A	$15 000.00	$60 000
Incinerator building	Two mobile units	each	2	AEM	$1 500.00	$3 000
Fuel tanks on-site	3 tanks to relocate (1 @ 100,000 l, 1@ 50,000 L, 1 @ 10,000 L)	each	3	#N/A	$4 000.00	$12 000
Fuel drums		each	40	AEM	$10.00	$400
Freshwater intake		each	1	AEM	$3 000.00	$3 000
Sea cans	50 units	each	50	#N/A	$2 500.00	$125 000
Remove culverts and rip rap sides of roads	For on-site access roads from pre-development. Removal of bridges and culverts on haul road are already in Type B for site access road.	each	1	EAM	$3 000.00	$3 000
Scarify on-site roads	On-site access roads - assumed 10 m wide, 6 km	ha	6	SCFYH	$6 030.00	$36 180
Scarify airstrip		ha	0.75	SCFYH	$6 030.00	$4 523
Scarify laydown and camp areas	3 of the 7 Ha ($18,090) moved to Type A	ha	4	SCFYH	$6 030.00	$24 120
Vegetate	Allow to revegetate naturally.	ha		#N/A	$0.00	$0
Close and reclaim esker borrow pit #7		ha	1.4	#N/A	$1 500.00	$2 100
SPECIALIZED ITEMS						
Dispose of misc. debris and laydown area refuse		allow	1	#N/A	$10 000.00	$10 000
					Total	$462 155

Chemical

ACTIVITY/MATERIAL	Notes	Units	Quantity	Cost Code	Unit Cost	Cost
HAZARDOUS MATERIALS AUDIT						
Hazardous materials audit		LS	1	#N/A	$25 000.00	$25 000
BUILDING DECONTAMINATION & CONSOLIDATION OF HAZARDOUS MATERIALS						
Decontaminate buildings		man-days	20	AEM	$1 000.00	$20 000
Decontaminate power plant		man-days	5	AEM	$1 000.00	$5 000
HAZARDOUS MATERIALS REMOVAL						
Waste oils	Burn on site	litre	10 000	ORL	$0.43	$4 300
Unused fuel	Burn on site	litre	32 000	ORL	$0.43	$13 760
Waste batteries	includes fee and transportation	kg	5	AEM	$75.00	$375
Assay & environmental lab reagents		kg	5000	PCRH	$2.50	$12 500
Assay & environmental lab reagents		pallet	1	AEM	$2 606.83	$2 607
Glycol		litre	2000	PCRH	$2.50	$5 000
Machine shop (paints, solvents, etc.)		litre	1500	PCRH	$2.50	$3 750
HAZARDOUS MATERIALS						
Transportation to disposal facility		allow	1	#N/A	$10 000.00	$10 000
Disposal fees		allow	25000	#N/A	$1.00	$25 000
Supervision of abatement work		allow	40	ENVCOH	$130.00	$5 200
CONTAMINATED SOILS						
Contam. soil investigation - Phase 1		each	1	CS1L	$7 500.00	$7 500
Contam. soil investigation - Phase 2		each	1	CS2L	$50 000.00	$50 000
CONTAMINATED SOIL REMOVAL						
Excavate and transport to Meadowbank Landfarm (Site fuel, power plant, Mine maintenance shop)		m3	2000	SC4L	$9.30	$18 600
Manage hydrocarbon remediation at Meadowbank Landfarm		m3	2000	CSRL	$47.00	$94 000
					Total	$302 592

Water Management

ACTIVITY/MATERIAL	Notes	Units	Quantity	Cost Code	Unit Cost	Cost
BREACH DYKE EMBANKMENT						
Remove (excavate) fill	Excavate breaches in dykes	m3	5	AEM	$40.00	$200
DECOMMISSION FRESH WATER SUPPLY						
Remove pump		LS	1	#N/A	$5 000.00	$5 000
Remove pipeline		m	150	psrh	$24.00	$3 600
WATER CONTROL IN RECLAMATION QUARRY						
Install pumping system	Quarry sump - 250 m pipeline	LS	250	AEM	$50.00	$12 500
Remove pumping system	Quarry sump - 250 m pipeline	LS	250	AEM	$50.00	$12 500
REMOVE PIPELINES						
ON-SITE WATER MANAGEMENT						
Pump contents of A-P5 down the ramp		m3	4000	POC	$0.12	$480
Pump content of quarry sump down the ramp		m3	1000	POC	$0.12	$120
					Total	$34 400

Interim care and maintenance

ACTIVITY/MATERIAL	Notes	Units	Quantity	Cost Code	Unit Cost	Cost
INTERIM CARE & MAINTENANCE						
On-site caretaker	120 hours ($4920) moved to Type A	man-hours	16	lab-sl	41	$656
Annual fuel	$125 transferred to Type A	litre	50	fcdh	1.39	$70
Pick-up truck	12 days/year ($1800) transferred to Type A	days	3.5	AEM	150	$525
Environmental sampling & reporting	$6,000 transferred to Type A	each	1	#N/A	2500	$2 500
Geotechnical assessment	$2,400 transferred to Type A	each	1	#N/A	1000	$1 000
					Annual Interim C&M Cost	$4 751
					Total	$39 774

Mobilization-Demobilization

ACTIVITY/MATERIAL	Notes	Units	Quantity	Cost Code	Unit Cost	Cost
MOBILIZE HEAVY EQUIPMENT						
Fuel tanker truck (2)	equipment will come from Baker Lake	hr	8	FTRUCKL	150	$1 200
Flatbed truck (2)		hr	8	HIABL	155	$1 240
Transport truck or equivalent (1)		hr	5	TRUCK-SL	225	$1 125
Crane (1)		hr	5	AEM	190	$950
Loader (1)		hr	5	LOAD-SL	175	$875
Light duty vehicles (3)		day	3	AEM	150	$450
Excavator		hr	4	EXC-SL	190	$760
MOBILIZE MISC. EQUIPMENT						
Pump shipping		each	1	AEM	2500	$2 500
Minor tools and equipment		allow	1	AEM	2000	$2 000
MOBILIZE CAMP						

Accommodations and food for crew	6 workers for 3 weeks	allow	126	ACCML	100	$12 600
MOBILIZE WORKERS						
Reclamation activities - travel time	$320 transferred to Type A	manhours	24	AEM	31	$424
WORKER ACCOMODATIONS						
Reclamation activities	$8.800 transferred to Type A	man months	6	accm	5250	$22 700
WINTER ROAD						
DEMOBILIZE HEAVY EQUIPMENT						
Fuel tanker truck (2)		hr	8	FTRUCKL	150	$1 200
Flatbed truck (2)		hr	8	HIABL	155	$1 240
Transport truck or equivalent (1)		hr	5	TRUCK-SL	225	$1 125
Crane (1)		hr	5	AEM	190	$950
Loader (1)		hr	5	LOAD-SL	175	$875
Light duty vehicles (3)		day	3	AEM	150	$450
Excavator		hr	4	EXC-SL	190	$760
DEMOBILIZE CAMP	Included on-site decommissioning					
DEMOBILIZE WORKERS						
Crew travel time	$320 transferred to Type A	manhrs	24	AEM	31	$424
Crew transportation		each		#N/A	0	$0
WINTER ROAD	not required					
Construction and operation		km		#N/A	0	$0
Limited winter use		km		#N/A	0	$0
Winter road tariff		km		#N/A	0	$0
					Total	**$53 848**