



MELIADINE GOLD PROJECT

INTERIM ABANDONMENT AND RESTORATION PLAN

for Water Licences 2BE-MEP0813 and 2BB-MEL0914

November 2010

DOCUMENT CONTROL

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1	04 Aug 2010			The 2009 Plan was completely rewritten.
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Plan prepared by:

John Witteman
Environmental Consultant to Agnico-Eagle Mines Limited

Plan approved by:

Larry Connell
Corporate Director of Sustainable Development
Agnico-Eagle Mines Limited

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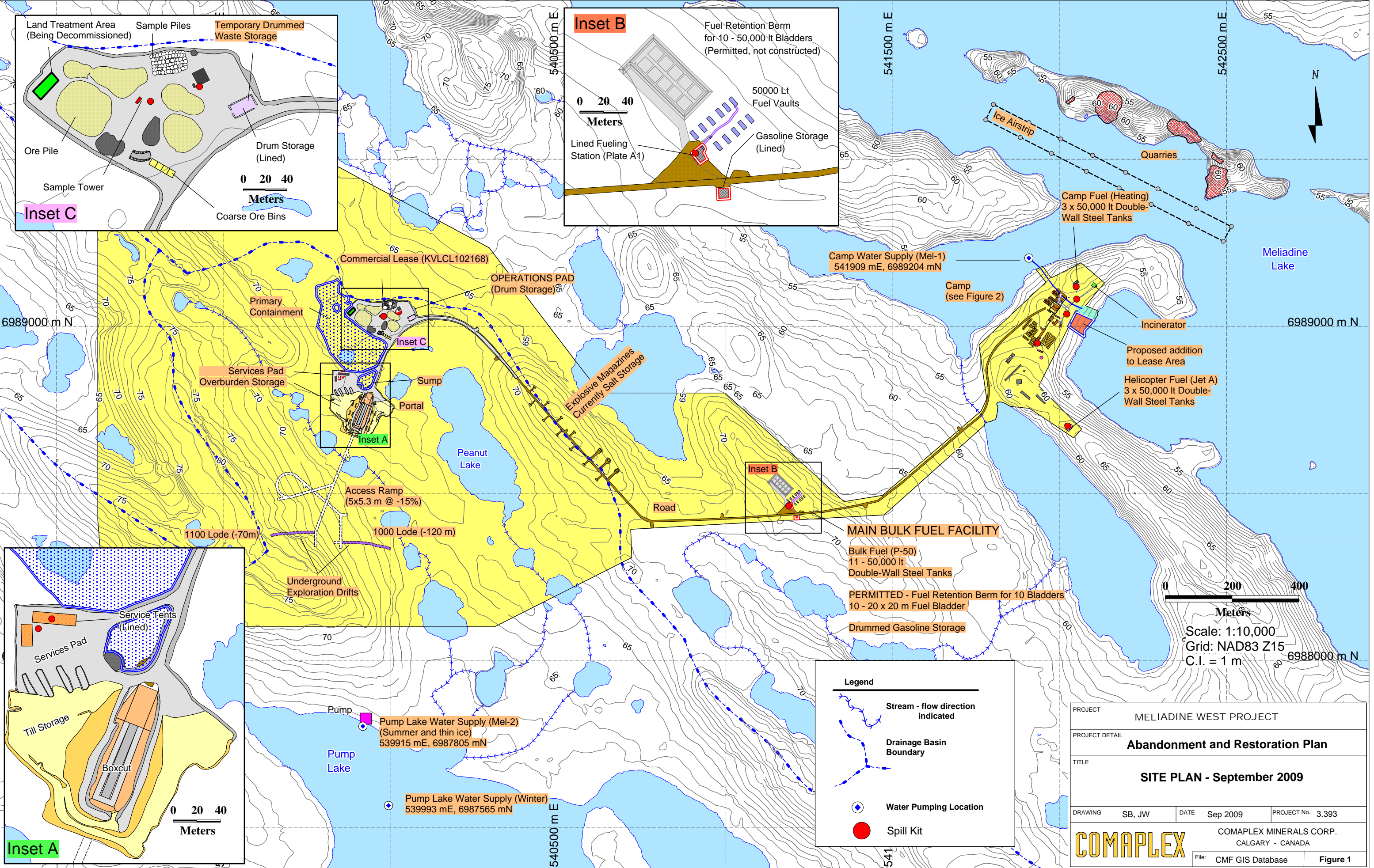
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1.0 Introduction and Background

Agnico-Eagle Mines Ltd. (AEM) and previous owners have been conducting mineral exploration in the Meliadine Gold Project area since June, 1995; in the case of Mel East it was 1990. The lands in the exploration area are Inuit Owned Lands (IOL) pursuant to the Nunavut Land Claims Agreement. Land use for the exploration activities has been authorized by the Kivalliq Inuit Association (KIA), the Designated Inuit Association that holds title to Inuit owned lands in the Kivalliq Region of Nunavut. The Mel East permit is KVL308 C07 while the Mel West one is KVL100B195.

Rules and procedures for the management of IOL have been established by Nunavut Tunngavik Inc. These require that the intensively used lands in the exploration area, such as the camp, fuel storage areas and underground exploration site be held by a commercial lease. Commercial Lease KVCL102J168 issued by the KIA is presently held by AEM for the Mel West area. The lease requires that an Abandonment and Restoration Plan be developed for the lease area.

The Nunavut Water Board issued Water License 2BB-MEL0914 in 2009 and as a condition of this license, the Abandonment and Restoration Plan is to be updated when there are changes in operations and/or technology. Three recent amendments to the Licence have caused this Plan to be updated. As well, Water Licence 2BE-MEP0813 was issued to the Mel East property and as a condition of the assignment to Comaplex Minerals Corp, the Abandonment and Restoration Plan was to be updated. This plan covers both water licences.

This interim Abandonment and Restoration Plan describes the present reclamation of the site after the extension of the underground program has been implemented and in the case of Mel East, following the reclamation of the camp which is to be completed in early 2011.

The estimated time to complete the present reclamation of the Meliadine camp would take two summers.

2.0 General Approach to Reclamation and Closure

The Meliadine Gold Project's reclamation objective is to minimize negative environmental effects of mining wherever practicable, practice progressive reclamation, and upon closure, return negatively impacted areas to productive and lasting use by wildlife and humans. Reclaimed areas will be chemically and physically stable, and should ultimately support the same functions as the surrounding, undisturbed land. Because of the proximity of the mine site to Rankin Inlet, particular attention will be paid to ensuring that reclaimed areas are safe for future traditional use.

A practical, cost-effective approach will be central to reclamation and closure. The intent is to pursue reclamation and closure so there are no long-term care and maintenance requirements. The Plan will be developed, updated, and revised on a regular basis, ultimately evolving into a detailed interim plan during mining, and ending with a final plan upon closure. Each iteration of the plan will provide more detail and greater certainty regarding the sequence of events in reclamation and closure. This interim Plan addresses the present development, including the completion of the extension of the underground program in 2013 and what remains to be reclaimed at the Mel East camp area.

Progressive reclamation will be used to reclaim areas no longer needed for mining by stabilizing disturbed land surfaces and promoting revegetation. This approach will employ best practices and will ultimately advance the return of areas to natural conditions while reducing the overall cost of reclamation. In a similar manner, obsolete equipment, surplus chemicals, and buildings will be removed as soon as they are no longer needed.

Hazardous waste will be managed on an ongoing basis; consequently, there will be little to no accumulation of such wastes, subject to seasonal shipping considerations.

3.0 Location of Infrastructure

The location of the following infrastructure is provided below in UTM coordinates (NAD83, Zone 15) and latitude and longitude:

Area	Spill Kit	UTM_E	UTM_N	Lat_DD	Long_DD	Lat_DMS	Long_DMS
Camp (Centre of Area)	1	541935	6988949	63.0277	-92.1713	63,1,40	-92,10,17
Main Fuel Tanks	1	541214	6988484	63.0236	-92.1857	63,1,25	-92,11,8
Aviation Jet A Storage	1	542031	6988695	63.0254	-92.1695	63,1,32	-92,10,10
Camp P-50 Storage	1	542050	6989129	63.0293	-92.169	63,1,46	-92,10,8
Portal Fuel Tanks (22,700 L)	1	539845	6988850	63.0271	-92.2126	63,1,37	-92,12,45
Fuel Drum Storage	1	540054	6989039	63.0287	-92.2084	63,1,43	-92,12,30
Portal Boxcut (Centre)	0	539912	6988732	63.026	-92.2113	63,1,34	-92,12,41

Note: DD – decimal degrees, DMS – degrees, minutes, seconds

The Discovery Camp¹ for Mel East is located at latitude: 62° 57'36"N, longitude: 91° 55'12"W. It covered an area of less than 1.5 hectares and could previously accommodate approximately 15-20 people. Facilities at the site included a plywood kitchen/dry structure, along with a 16'x24' Weatherhaven office tent and a plywood core shack. Workers were accommodated in five 14'x16' Weatherhaven and two 14'x16' wood framed sleeper tents. The sleeper tents previously housed between two and four people, depending on configuration. The camp had two small plywood storage sheds, a plywood drillers shop, and a plywood generator shed. What remains on site after reclamation are the core shack, core racks, storage shed, an emergency shelter and an outhouse. These are stick-built and will be used while diamond drilling continues on site.

4.0 Demobilization

The following scenario assumes that AEM no longer seeks operating permits, licenses and authorizations for a mine and instead enters into reclamation and closure phase for the existing development, including the extension of the underground development. The last development to be reclaimed will be the site road as it will be used extensively in the reclamation.

All equipment, structures and fuel tanks will be removed from the area of the commercial lease prior to

¹ In 2009 and early 2010, the Discovery Camp was decommissioned. Final reclamation of the camp area still requires inspection by the INAC land inspector to approve the work done to date.

lease termination. Buildings and materials with ongoing value to the company will be removed by AEM. Local persons and businesses will be given the opportunity to salvage any remaining buildings and materials that would otherwise be dismantled or demolished as part of final site reclamation process. The only materials and structures remaining will be drill core stored in permanent racks on gravel pads, and the contoured earthworks associated with reclaiming the underground exploration area.

4.1 Structures

Structures presently on the site (Figure 1) include both soft sided Weatherhaven shelters, rigid “Atco” type trailers, stick built wooden shacks, stick built generator shelters, several fuel pump shelters, and several canvas tent frames. A rigid insulated and heated corridor network connects the main accommodation, kitchen/mess and shower structures. Weatherhaven units consist of four person “sleepers”, sixteen person “sleepers”, a kitchen / mess, a shower / laundry, an office, a TV/recreation room, a core logging and sample processing lab, a wash car, BIODISK sewage treatment plant and a geology office. At the portal site, 2 large and 1 small Weatherhaven structures have been established. There is also the sampling tower and several sea-cans to remove to Rankin Inlet and ship south.

It is expected that all Weatherhaven units will be salvaged by AEM. The rigid structures and Weatherhaven tent bases could be salvaged by local interests. All combustible materials that cannot be salvaged will be burned on site. The non-combustible remainder will be collected and removed to the Rankin Inlet municipal landfill.

At Mel East, all the Weatherhaven shelters, kitchen and drummed fuel were moved to the Meliadine Camp in the spring and summer of 2010. The drummed fuel has since been used and the Weatherhaven shelters are being stored. Most of the inert waste was removed to the Rankin Inlet landfill in early 2010 with a few loads remaining for movement in early 2011.

4.2 Heavy Equipment

The heavy equipment on site for the underground exploration program is valuable and reusable. After being utilized for site reclamation, the equipment will be moved to Rankin Inlet for sale to local interests or transported south on the annual sea lift.

4.3 Underground Services

Materials installed in the underground will be left in place. This includes such things as electrical cables, metal supports, and metal pipe and ventilation ducting. These materials are inert, within the zone of continuous permafrost and will have no impact on the surface environment.

The extension of the underground exploration program would see a vertical ventilation rise being established from 265 metres underground to the surface. The ventilation rise would be filled with ore presently stored on surface. The ventilation shaft cover would be removed and the rise subsequently sealed.

4.4 Drilling Materials and Fuel

All fuel and fuel infrastructure will be removed to Rankin Inlet. Similarly, all useful material like salt,

drilling compounds, and surplus peat and fertilizer will be relocated to Rankin Inlet for local disposal, sale or prepared for shipment south. All 50,000 L double walled tanks, empty bladders and barrels will likewise be relocated to Rankin Inlet. Here they will be sold to local interests or shipped south for sale in Southern Canada.

The bladders at the fuel storage will be pumped to containers for transport to Rankin Inlet where it will be sold. The bladders will be rolled up, transported to Rankin Inlet and either sold to local interests or shipped south for sale in southern Canada. The bermed area will be leveled and re-vegetated with the liners being left in place.

All chemicals, explosives and hazardous materials still in unopened packages at closure will be shipped south for re-sale. Unpackaged or waste materials will be shipped for recycling or disposal in a licensed landfill. Ongoing annual removal of surplus chemicals and hazardous waste and the immediate clean-up of spilled fluids will minimize the quantity of material requiring handling, packaging and removal upon closure.

4.5 Non-combustible and Combustible Waste

All non-combustible, non-hazardous, solid waste will be removed to the Rankin Inlet municipal landfill. Material to be burned will be consolidated on a rock pad to reduce the number of burn sites and to avoid burning on the tundra. All burn sites will be raked, any metal collected and moved to the Rankin Inlet municipal landfill.

5.0 Reclamation – Meliadine Camp Area

The camp area will be allowed to naturally re-vegetate. Revegetation will 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. The application of fertilizer is generally most effective in moist sites and while it helps on drier sites, the response by the tundra plant community on the higher ground will be slower. Only indigenous plant species approved by the GN DoE will be used in revegetation in accordance with GN Guidelines established for revegetation work in Nunavut. In most instances promotion of natural vegetation from adjoining plant colonies will be the preferred practice.

Five different surface conditions will require reclamation on termination of activities at the present camp site:

- Areas of heavy traffic - In these areas, the total amount of vegetation on surface is diminished thereby reducing the insulative layer over the permafrost. The effect is an eroded surface settlement and rocks protruding through to the surface. These areas are stable and reclamation will involve applications of fertilizer to accelerate natural revegetation. 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.
- Gravel pads and walkways - Gravel has been placed on the lease area either to establish a level supporting surface under fuel tanks and buildings, or to replace wooden walkways in high foot traffic areas. The natural surface remains stable and is bordered by natural vegetation. The gravel

will be mixed with peat and fertilizer and be dispersed, while the original ground surface will be fertilized and allowed to re-vegetate naturally.

- Building bases - The prolonged presence of a building has prevented plant growth by blocking light to the plants underneath. Similar conditions existed at the former camp site which was vacated in late winter 1996. The natural revegetation of those building sites is slowly progressing. The ground surface at building sites remains stable and time alone will allow plants to become established. This will be enhanced by limited scarification to improve the germination of seeds from adjacent plants. Application of fertilizer throughout the lease area generally assists in the process.
- Burned and contaminated sites - Sites that have been used to burn remaining wood and other combustibles on demobilization will be few in number, limited in size and always on an existing rock pad or road surface. The sites will be raked, any metal removed, the ash scattered, the road surface scarified, and the sites fertilized. All sites with contaminated soils will be identified with GPS locations for monitoring.

6.0 Reclamation of Drill Sites

Slightly less than half of all drill holes are located within the footprint of the future open pits, waste rock and overburden management areas, tailings management area, rock pads, roads and other infrastructure. Should a mine be approved, these drill sites would either be excavated as part of the open pits or covered by various infrastructure.

If the mine is not built, this being the basis of this Plan, all drill sites will be reclaimed. Following completion of a drill hole, the casing is pulled if possible, or cut off at or below ground level. Water and drill cuttings flow down the hole or casing and freezes in place thereby plugging the drill hole. In the spring or over the summer period, fertilizer and peat moss are applied to the drill sites. This assists in the recovery of the plants in the vicinity of the drill hole and for the re-establishment of vegetation where plants were lost.

7.0 Reclamation – Underground Exploration Area

The final Geochemistry Static Test Report, May 2010 by the company's independent consultant, Golder Associates, found that the waste rock poses no risk of acid rock drainage². The ore, however, was classified as having an uncertain ARD potential and should be treated as potentially acid generating.

Studies at the diamond mines in the Northwest Territories indicate that waste rock management areas freeze quickly upon placement and, because of their elevation above the general terrain, become super-cooled well below the prevailing temperature in the near-surface permafrost. Precipitation and melting snow is captured in the waste rock with little leachate evidenced at the toes. The lack of runoff and super-cooling results in only a shallow active layer during the summer period, with the larger part of the waste rock and overburden remaining frozen.

² Kinetic testing now underway to show the potential of the waste rock for leaching of trace metals over time.

Table 2 Underground Exploration Program Waste Rock and Ore

Underground exploration program	2007 - 2008		2011 - 2013	
	tonnes	loose m ³	tonnes	loose m ³
Overburden Portal	25,890	19,417	NA	NA
Waste Rock Portal	17,609	9,435	NA	NA
Waste Rock Decline	82,328	44,105	213,190	114,209
Ore	25,521	13,065	22,156	11,460
Total Rock	125,458	66,605	235,346	125,669

Waste Rock and Ore

- The waste rock pads are on average 2 metres thick, have no ARD potential and will be left in place after the ore is removed. The surface of the pads will be scarified and the edges contoured;
- The ore has an uncertain ARD potential and will need to be isolated from the environment. Crushed ore on the waste rock pad totaled 13,065 loose m³ from 2007 to 2008, and will total 11,460 loose m³ from 2011 to 2013. The ore from the extension program will be loaded in a truck, dumped down the ventilation rise after its cover has been removed. A scoop tram located below the vent rise would move the ore into place underground. This would economically move the ore off the pad and have it placed 265 metres below surface. The last step in moving this ore would see the ventilation rise filled with ore and subsequently permanently capped.
- The cover over the box cut leading to the portal entrance will be removed.
- The box cut has a volume of approximately 17,000 m³. Ore from the 2007 – 2008 program, 13,065 loose m³, will first be placed in the box cut, next all the demolished buildings will be added on top of the ore. The building should not occupy more than 4,000 m³. Once all materials are in the box cut, they will be covered with at least 2 metres of overburden/top soil found in the portal area to ensure the buried materials are below the active layer and remain frozen year-round. The area will be gently contoured to have positive drainage so water does not pool over the buried material.
- It is expected all the ore will largely be frozen when being moved. Even if the work were to be done in late summer, when thawing would be at a maximum, the percentage of unfrozen material that would be moved underground or into the box cut would be small. This material would be mixed with frozen material and would soon freeze once in place seeing the ambient permafrost temperature is -6°C to -8°C year round.
- INAC has requested that progress of freeze-back of the ore underground be monitored. AEM presently has 5 thermistors installed in the area of the boxcut. Three of the thermistors are about

100 meters from the portal and decline. These sites are monitored on a periodic basis and the temperature profile is well known. Freezing of tailings and other ore bearing materials in permafrost is a well established and accepted mitigation strategy.

Hydrocarbons/Waste Oils/Hazardous Materials

- In the event that there may be evidence of spills (diesel fuel, oils, etc.) that are too large to recover naturally, soil in the affected area would be excavated and moved into the underground mine workings to be permanently stored within the permafrost zone.
- The present contaminated soil storage area located on the operations pad has been found to meet the Nunavut Soil Remediation Guidelines for residential/parkland. AEM will leave the material in its present location. Upon reclamation, the material and the liner will be covered with waste rock to minimize erosion of the fine material by wind and water.
- Waste oils will be stored in 45 gallon drums and shipped to Rankin Inlet for recycling and/or disposal, in accordance with AEM's existing waste treatment program.
- Hazardous materials, such as hydrocarbon impacted rags, oil filters and old lead acid batteries will be appropriately crated for transportation during the winter demobilization – all items will be either recycled or properly disposed of in an approved facility down south.

The final phase of the reclamation will comprise primarily of demobilizing materials and equipment that has been prepared and assembled for removal to Rankin Inlet.

- Equipment will be kept operational and any snow will be removed from around the outbound freight and equipment, and from the roads.
- Trucks will be used to demobilize the gear to Rankin Inlet along the winter road. All loads will be hauled to a designated muster area in Rankin and either sold, salvaged, recycled, land-filled, and if necessary, prepared for shipment from Rankin via barge. Due to local demand, it is not currently foreseeable that anything excepting hazardous waste and specialized equipment will be shipped out of Rankin Inlet.

8.0 Drill Core

There are over 200,000 metres of drill core in storage at the Meliadine site with about half as much again stored at the Mel East site. More will likely be added prior to termination of the lease. If there is no further activity by AEM at lease termination, the core will be evaluated for long term storage stability. Core deemed stored in unstable conditions will be restacked on more durable and stable gravel pads for long term storage and access.

9.0 Cost of Implementation

Costs of executing this Abandonment and Restoration Plan, and of other Plans covering a worst case scenario with the ongoing exploration program are covered in the Site Liability Security Deposit Review document provided to the NWB in September 2007. This report provides details on AEM's \$950,000

security deposit (Letter of Credit) with the KIA that covers the entire project including both the camp and underground exploration site. The NWB set security at \$639,000 in water license 2BB-MEL0914. Together, the total security held by KIA and the federal government is \$1,589,000.

An August 2010 reclamation cost determined by INAC following the completion of the extension of the underground exploration program is \$1,333,595, of which \$631,000 is to move all the ore underground. AEM feels this cost is much too high and the approach outlined above to isolate the ore from the environment would significantly reduce the overall cost of reclamation.

The cost to reclaim the remaining portion of the Mel East camp is \$31,000.

10.0 Post Closure Monitoring

The longer term environmental monitoring of the site after the major restoration work has been completed is covered in the Water Management Plan, and the Waste Rock and Ore Storage Management Plan and thus is not repeated here. Clearly, water and soil sampling after the site has been re-habilitated is the primary method of ensuring that the area has been brought back to productive habitat suitable for use by wildlife and humans.

Environmental monitoring will continue during and after the post-closure phase of the reclamation until it can be established that licensed criteria have been met. The amount and frequency of post closure monitoring that is required will diminish with time as natural reclamation takes hold and all parties are satisfied that the reclamation has satisfactorily met its objectives.

Revegetation at the Mel East camp will be monitored using annual photographs showing the recovery of areas previous covered by various buildings. The buildings were removed in early 2010.