AGNICO EAGLE

HUCKLEBERRY EXPLORATION PROJECT

Conceptual closure and reclamation plan

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AGNICO EAGLE

Document Control

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1	2018/05/15	David Frenette			Document creation
2	2018/05/17	David Frenette			Addition of figures 1 and 2. Addition of trenches reclamation, airstrip reclamation.

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1. Introduction

This plan describes the concepts for the closure and reclamation of the Huckleberry Exploration Project.

The Huckleberry Exploration Project is located on Inuit Owned Land surface and subsurface, approximately 65 km mostly west of the Whale Cove community. The intent of the Huckleberry Exploration Project is to explore the mineral property for potential ore deposits. An exploration camp is planned to be established in 2018 on this mineral property. The camp will be installed in the area already impacted by a previous exploration company. Final placement of the camp in the field will be decided on site depending on field constraints. A general camp placement is shown on Figure 2. Incinerator and fuel berm locations will also be determined on site.

Figure 1, Camp Location

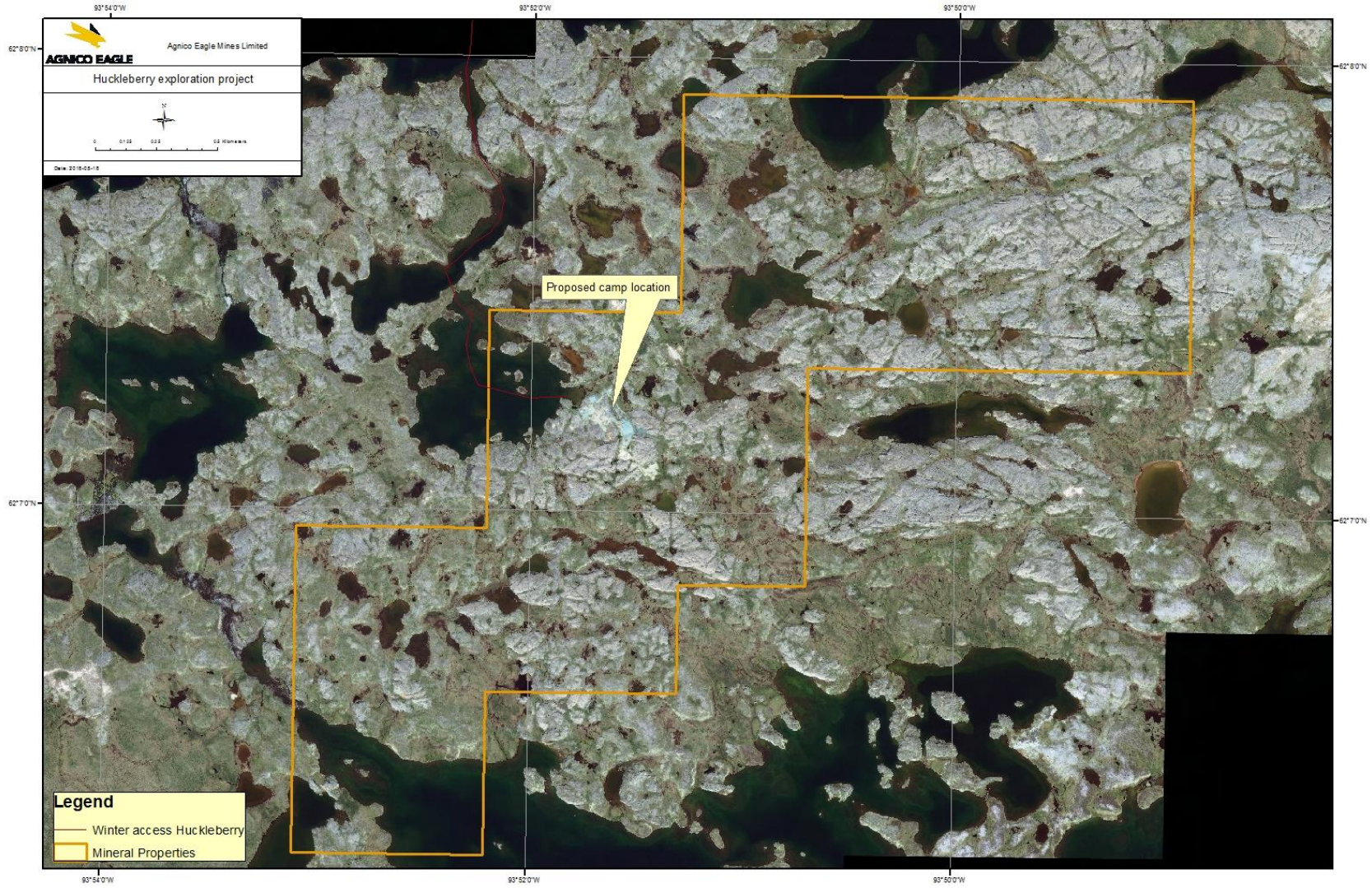
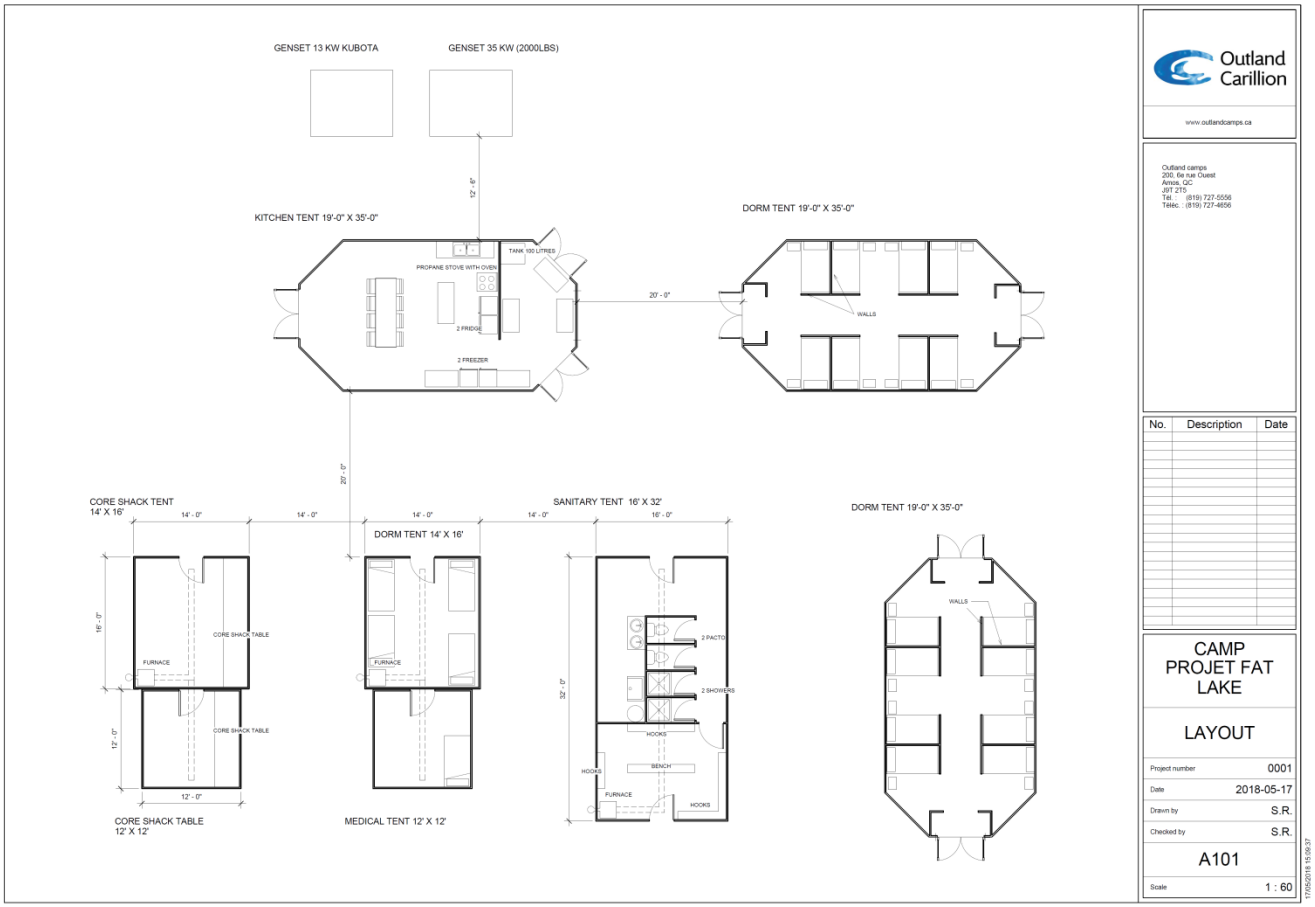


Figure 2, Huckleberry Conceptual Camp Layout



2. Closure and Reclamation Principles

The conceptual reclamation and closure plan has the objective of mitigating the negative environmental effects of the campsite 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 exploration project is guided by the following four principles:

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 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 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 in the 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 camp and drill sites.

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 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 and shipped south to a certified waste management company for treatment, recycling and/or disposal in another provincial or territorial jurisdiction. At the Huckleberry exploration camp site, all domestic and camp waste suitable for incineration will be incinerated in the on-site incinerator or at another Agnico Eagle Mines facility until an incinerator is installed on site.

4. Infrastructure, Huckleberry Exploration Project

The planned exploration camp will accommodate up to 20 workers and will mainly consist of tents and sea cans. A core shack, a core splitting room, a medical room, a kitchen, a dry, showers and Pacto toilets will be included. Gensets for camp electricity, incinerator for domestic waste disposal, intake and treatment for drinking water and berms for up to 420 fuel drums will also be installed. Exploration activities including drilling are planned to be conducted periodically at the Huckleberry exploration project and this, between April and October.

5. Conceptual Closure and Reclamation

The following scenario assumes that Agnico Eagle no longer renews any permits, leases, licenses and other authorizations for the Huckleberry Exploration Project, and enters into reclamation and closure. To be conservative in calculating costs for reclamation and closure, it is assumed that no Agnico Eagle facility is available to provide services during closure and reclamation activities.

All equipment, structures, camp and drill supplies, fuel drums, fuel pumps, and wastes will be removed from the project areas prior to expiry of the land use licence.

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

For this estimate, it is assumed that transportation of the equipment must be done up to Whale Cove. At the end of the season, all tents and equipment will be disassembled and prepared for transport. All equipment, seacans, drill supplies, fuel drums, fuel tanks, chemicals and wastes that cannot be incinerated will also be prepared for transport. During the winter, a winter access will be used to remove all materials from the site to Whale Cove. Challengers or equivalents pulling sleighs are expected to move all material and equipment over the winter access to Whale Cove waiting for boat transport.

At the camp site, the only materials and structures planned to remain after closure and reclamation will be drill cores stored on racks.

5.1 Equipment

Generator, incinerator, drill, drummed fuel, and other equipment are valuable and reusable. These will be moved to Agnico Eagle's facility or to Whale Cove for 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 Non-Combustible waste

All non-combustible, non-hazardous waste from the Huckleberry Exploration Project will be transported to Whale Cove in proper containers for shipment south to a certified waste management company for treatment, recycling and/or disposal. This waste category includes but is not limited to: metal, treated wood, plastic, ash from incinerator, etc.

6. Camp Site

The camp planned to be installed will use mostly the same area as the camp site installed by a previous mining company. This will reduce the area to be impacted. The area used will be allowed to revegetate naturally once cleared of all tents 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. Where relevant and applicable, fertilizer may be used to promote revegetation.

7. Reclamation of Drill Sites

All drill sites will be reclaimed on an ongoing process. Following completion of a drillhole, and if possible, the casing will be pulled. If it cannot be pulled, the casing will be cut off at or below ground level. Wastewater, including drilling additives and drill cuttings will be disposed of at least 31 meters from any water body where direct flow to the water body in not possible.

8. Storage of Drill Cores

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.

9. Trench Reclamation

Trenches planned for this project consist in overburden removal to access and to investigate the rock using a mini excavator. No rock blasting is planned to be conducted for this exploration activity. These excavations will be located at more than 31 metres from any water body and overburden will be replaced at its most original state once the investigation is completed.

10. Airstrip Abandonment

There is a small airstrip on the Huckleberry mineral properties. This airstrip was constructed and used by the previous exploration company in the area. Agnico Eagle is proposing to use this airstrip in its actual condition with a Twin Otter plane type. No construction or major improvements are planned. This plane type can land and take off in various soil conditions.

11. Hazardous Waste Disposal

Contaminated soil caused by machinery hydrocarbon spills will be removed and temporarily stored in 205-litre drums or Quatrex bags in a seacan, thus avoiding contact with any water. This material will be transported annually to Whale Cove and then on the sealift with the other hazardous waste such as scrapped fuel, used oil, batteries, etc.

12. 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 Agnico Eagle facility for services during closure. However, a winter access will be used from the camp site to Whale Cove as part of closure and reclamation. A summary of costs is provided in Table 1.

Table 1, Summary of RECLAIM costs for Closure and Reclamation of Huckleberry Exploration Project

SUMMARY OF COSTS

CAPITAL COSTS	COMPONENT NAME	COST	LAND LIABILITY	WATER LIABILITY
BUILDINGS AND EQUIPMENT		$11 775	$10 795	$980
CHEMICALS AND CONTAMINATED SOIL MANAGEMEN		$3 444	$0	$3 444
	SUBTOTAL: Capital Costs	**$15 219**	**$10 795**	**$4 424**
	PERCENT OF SUBTOTAL		**71%**	**29%**

INDIRECT COSTS		COST	LAND LIABILITY	WATER LIABILITY
MOBILIZATION/DEMOBILIZATION		$35 800	$25 393	$10 407
POST-CLOSURE MONITORING AND MAINTENANCE		$0	$0	$0
ENGINEERING	5%	$761	$540	$221
PROJECT MANAGEMENT	5%	$761	$540	$221
HEALTH AND SAFETY PLANS/MONITORING & QA/QC	1%	$152	$108	$44
BONDING/INSURANCE	1%	$152	$108	$44
CONTINGENCY	20%	$3 044	$2 159	$885
	SUBTOTAL: Indirect Costs	**$40 670**	**$28 848**	**$11 822**
TOTAL COSTS		**$55 889**	**$39 643**	**$16 246**