AGNICO EAGLE

WHALE COVE AREA, EXPLORATION PROJECTS

Conceptual closure and reclamation plan

VER: 1
August, 2018

AGNICO EAGLE

Document Control

Version	Date (YMD)	Revised by	Section	Page	Revision
1	2018/08/03	David Frenette			Document creation

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1. Introduction

This plan describes the concepts for the closure and reclamation of the exploration projects located in the Whale Cove area.

Agnico Eagle Mines Limited (Agnico Eagle) possesses mineral properties located on Crown and Inuit Owned Land in the area located between 20km to 70km of the Whale Cove community. The exploration activities planned on these properties include drilling, prospection and geophysical surveys. The intent of these exploration activities is to explore the mineral properties for potential ore deposits.

An exploration camp is planned to be installed on the Foxe Bay mineral properties. A general placement of the camp is shown on Figure 2, but the final location will be determined on site depending on field constraints. Incinerator and fuel berm locations will also be determined on site.

Figure 1, Camp Location and Access

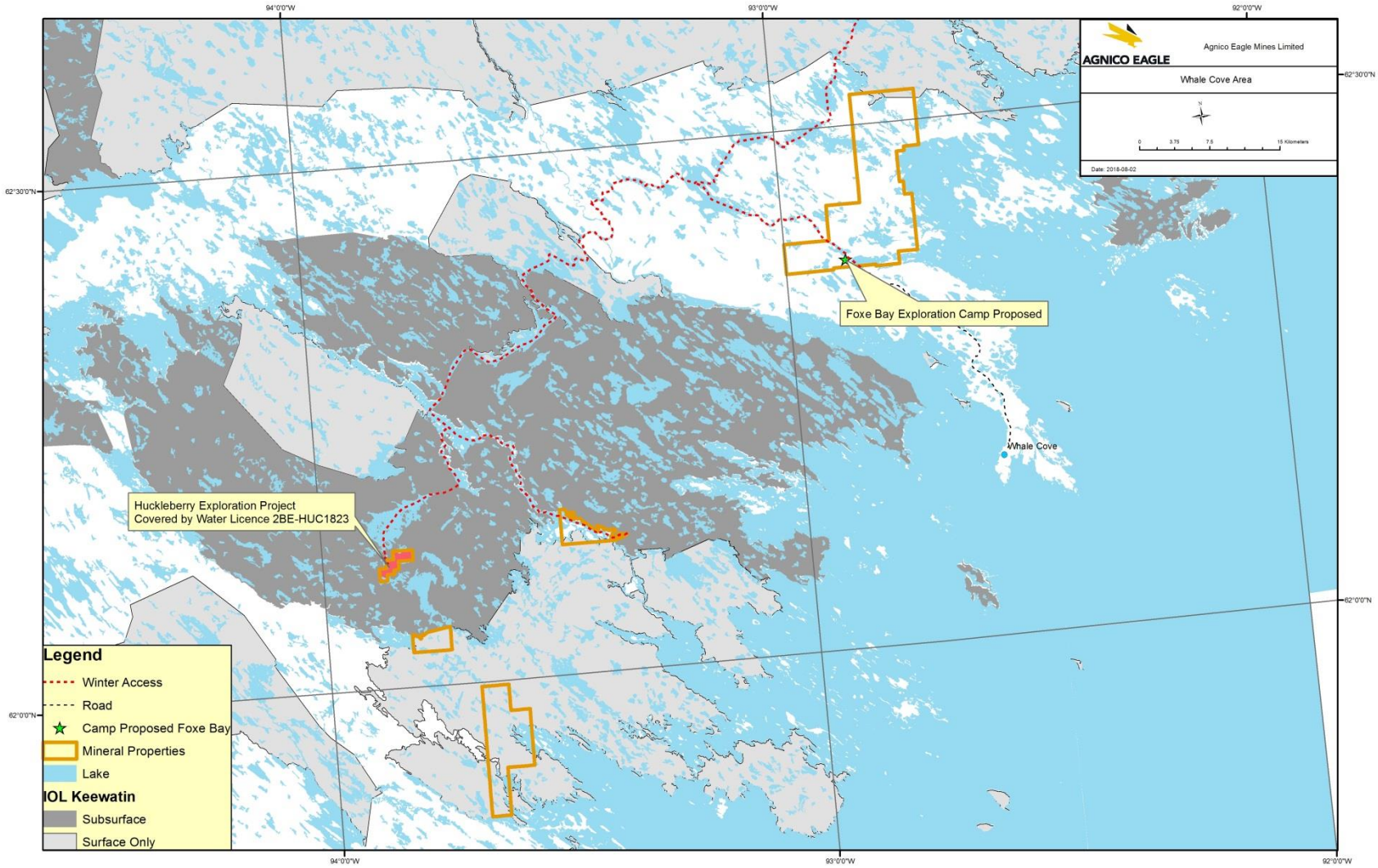
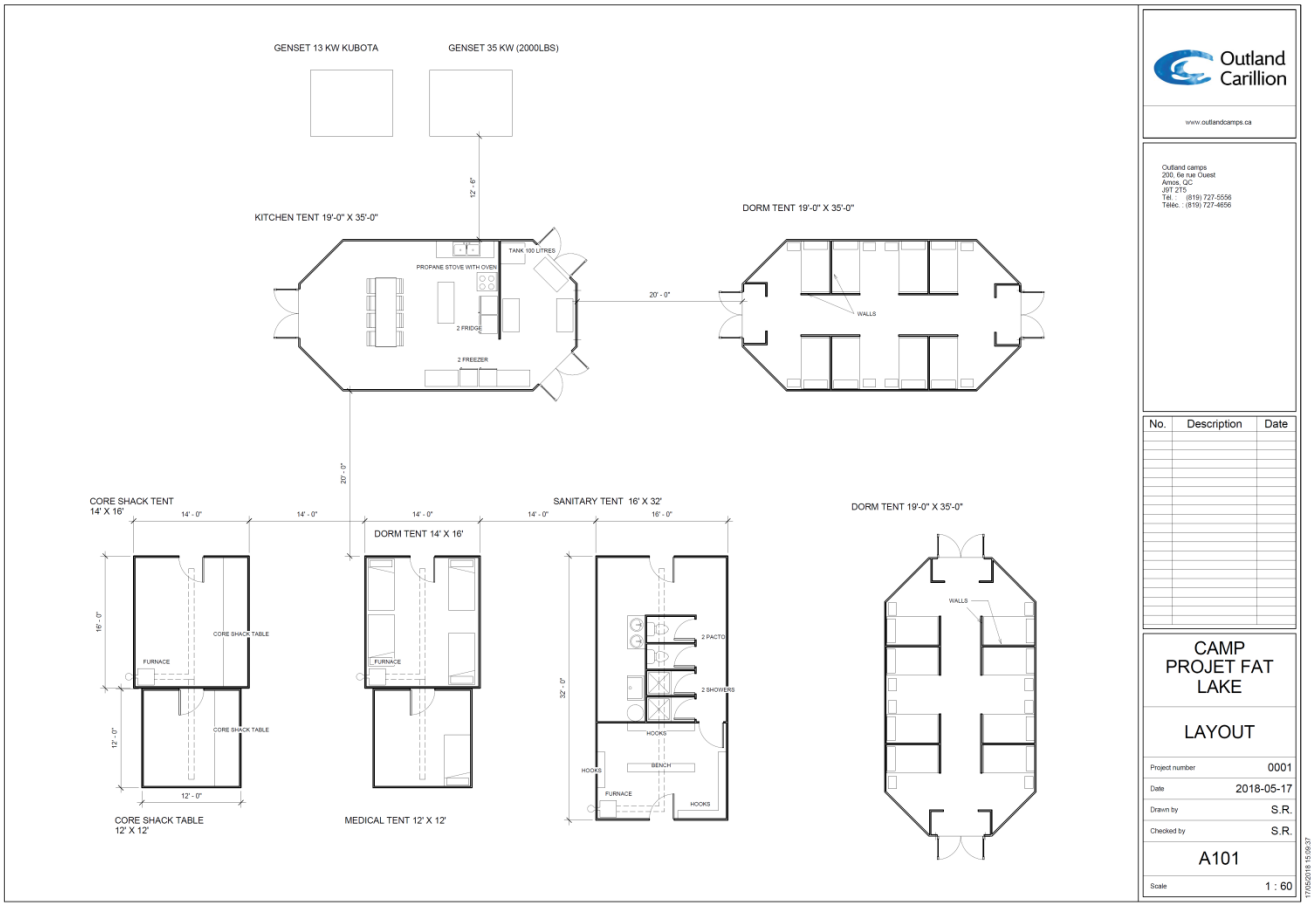


Figure 2, Conceptual Camp Layout



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 in ensuring 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. At the exploration camp site, all domestic and camp waste suitable for incineration will be incinerated in the on-site incinerator or transported and incinerated at another Agnico Eagle Mines facility until the on-site incinerator is installed.

4. Infrastructures

The planned exploration camps will accommodate up to 20 workers each 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. Genset 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 at each site. Exploration activities including drilling are planned to be conducted periodically 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 these activities, and enters into the reclamation and closure phase. 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 authorizations.

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 exploration 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 the annual sealift.

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

Generators, incinerators, drills, 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 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 area used by the camp 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 of overburden removal using a mini excavator to access and to investigate the rock. 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. 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.

11. 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

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		$3 541	$0	$3 541
	SUBTOTAL: Capital Costs	**$15 316**	**$10 795**	**$4 521**
	PERCENT OF SUBTOTAL		**70%**	**30%**
INDIRECT COSTS		**COST**	**LAND LIABILITY**	**WATER LIABILITY**
MOBILIZATION/DEMOBILIZATION		$35 800	$25 233	$10 567
POST-CLOSURE MONITORING AND MAINTENANCE		$0	$0	$0
ENGINEERING	5%	$766	$540	$226
PROJECT MANAGEMENT	5%	$766	$540	$226
HEALTH AND SAFETY PLANS/MONITORING & QA/QC	1%	$153	$108	$45
BONDING/INSURANCE	1%	$153	$108	$45
CONTINGENCY	20%	$3 063	$2 159	$904
	SUBTOTAL: Indirect Costs	**$40 701**	**$28 687**	**$12 014**
TOTAL COSTS		**$56 017**	**$39 482**	**$16 534**