AGNICO-EAGLE MINES LTD.
Meadowbank Division

PRE-DEVELOPMENT CLOSURE AND RECLAMATION PLAN FOR THE MEADOWBANK PROJECT SITE

NWB WATER LICENSE 8BC-TEH0708
KIA LAND USE LICENSE KVCL303H305

Prepared by: Larry Connell, P.Eng.
Regional Manager: Environment, Social & Governmental Affairs

Revision A
March 05, 2008

Vancouver Office:
555 Burrard, Suite 375
Box 209, Two Bentall Centre
Vancouver, British Columbia V7X 1M8
Tel: 604-608-2557 Fax: 604-608-2559

Baker Lake Office:
Baker Lake, Nunavut
X0C 0A0
Tel: 867-793-4610
Fax: 867-793-4611

Table of Contents

1. Introduction

The Meadowbank project, operated by Agnico-Eagle Limited (AEM), is located approximately 70 kilometres north of the Hamlet of Baker Lake, Nunavut. The project is located on Inuit Owned surface lands (IOL BL-14) and as such access is subject to licensing and permit approval by the Kivalliq Inuit Association and the Nunavut Water Board. The campsite for the Meadowbank project is located at 65^{o} 01' 9.12''N latitude and 96^{o} 04' 1.91''W longitude on NTS map sheet 66H/1.

At the end of 2006 the Meadowbank Project completed an extensive environmental assessment process under the Nunavut Land Claims Agreement directed by the Nunavut Impact Review Board (NIRB). A Project Certificate was approved by the Minister of Indian Affairs and Northern Development clearing the Project to apply for the permits required to construct and operate the project. In September of 2007 AEM applied to the Nunavut Water Board (NWB) for a Type A Water License that will cover construction, operation, closure, reclamation and post closure activities at the proposed Meadowbank gold mine project.

The purpose of this Closure and Reclamation Plan is to address how the proposed pre-development activities at the Meadowbank Project site and the resultant disturbances will be reclaimed under two general outcomes:

a) The Type A Water License from the NWB, or the Commercial Production Lease from the KIA, or the required authorizations from Fisheries and Oceans Canada are not granted in sufficient time to allow for the completion of the East Dewatering Dike in the 2008 summer construction season. In such an incident the site will have to be secured and placed on a care and maintenance footing until the start of the 2009 construction season (July 2009); and

b) The Project does not receive a Type A Water License from the NWB or Commercial Production Lease from the KIA or the required authorizations from Fisheries and Oceans Canada and thus cannot proceed. In this case the pre-development facilities and disturbances will have to be reclaimed and the site remediated without the Meadowbank Project proceeding into the construction phase.

The pre-development facilities and disturbances covered under this closure and reclamation plan are summarized as follows:

- The existing exploration camp (including the north and south camps) and related support facilities at the Meadowbank Project site;
- The exploration airstrip at the Meadowbank site;
- The airstrip quarry on the site;
- The existing and proposed site access roads during the pre-development phase;

- The overburden stockpiles that will be developed through the stripping of the North and South Portage starter pits starting in April 2008;
- The North and South Portage starter pits (first cut to stockpile construction rock material for the East Dike) to start in May 2008;
- The permanent 340 person accommodation camp currently under construction at the Meadowbank site;
- The sewage treatment plant to be constructed at the Meadowbank site in March of 2008;
- Reclamation of the Stormwater management pond (Tear Drop Lake);
- The 5.6 million litre fuel tank and containment area to be constructed on site in quarter 2 of 2008;
- The removal of all existing fuel storage facilities (Envirotanks) from the Meadowbank site;
- Removal of all hazardous materials currently on site;
- Removal of the batch concrete plant and associated facilities to be set up at the Meadowbank site in quarter 2 of 2008; and
- Final re-grading of the Meadowbank site.

Not covered under this closure plan is:

- The Baker Lake fuel storage facilities and marshalling area constructed within the Hamlet of Baker Lake on Commissioner's lands; and
- The all weather access road between Baker Lake and the Meadowbank Project site.

These facilities are covered under separate closure and reclamation plans submitted previously under separate cover.

The reader is referred to Figure 1 for a map showing the Meadowbank Exploration camp layout. Detailed plans for the demobilization of equipment and the restoration of the site, including the fuel tank, are provided below. An itemized breakdown of the projected costs to complete the work is provided in Section 6. It should be noted that for the demobilization of many of the big ticket items (heavy equipment, etc.) it has been assumed that their residual value should offset the cost of shipping the equipment south.

2. Description of the Site Activities during the Pre-Development Period

During the past twelve years of exploration at the Meadowbank camp, significant improvements have been made to the original exploration camp facilities. The original Cumberland camp, now referred to as the South Camp, was erected in 1995 on an Island in Third Portage Lake in close proximity to the Third Portage and Goose Island Deposits. As the project advanced, more space was required hence new kitchen and dry facilities were constructed but in a new location, on the mainland, approximately one kilometre north of the original campsite (the current exploration camp). This new site was referred to as the North Camp. The new camp site was selected on the basis of his proximity to the proposed mill complex required for development of the Meadowbank Project and to

be used as a possible initial construction camp, should the project proceed to development. The new kitchen and dry facilities were completed in the summer of 2002, and the North Camp was occupied in August of that year. In the spring of 2003 new office and core processing facilities were constructed at the North Camp. Decommissioning and progressive reclamation of the South Camp was also initiated in 2003. As the amount of activity at the camp is planned to increase, the capacity of the north camp was increased in 2007 by the addition of accommodation for an extra 25 persons. This addition was completed under the conditions of the current water licence B for the camp.

The construction of a 900 m long airstrip, located immediately northeast of the camp, was begun at the Meadowbank site during the summers of 2005 and 2006. To date only 260 m of the air strip has been completed. Completion of the air strip is planned for 2008. The current airstrip length is suitable to accommodate landing of small aircrafts, as required, in support of exploration work at the site.

Fuel storage systems at the site now utilize five 50 000 litres and four 75 000 litres double-walled fuel tanks (Envirotanks). These are comprised of the original 50 000 litres tanks that had been installed at the South Camp and of the 75 000 litres tanks installed in 2003. These tanks provide storage for approximately 451,250 litres of diesel fuel and 71,250 litres of Jet-A fuel. Approval was received from the NWB and the KIA in 2006 for the construction of a single 5 million litres fuel tank at the Meadowbank site, which will provide increased diesel storage capacity and allow for consolidation of the multiple tanks currently in use. Construction of the pad and containment structures for the tank was partially completed during the summer of 2006. It is currently proposed that construction of the earthworks and the erection of the tank will be completed at the site in 2008.

Ground work was initiated during the fall of 2007 for the preparation of the site to receive the permanent camp and the mill foundations. This work continues. In early 2008 the camp units were transported to site from Baker Lake and are now being installed.

Agnico-Eagle Mines Limited (AEM) has applied for a Type A water license to allow for construction, operation and reclamation of the Meadowbank Gold Project. This application is under review and if a positive decision is reached could lead to the start of construction in the summer of 2008. Due to the remote location and short summer ice free construction season AEM projects that it will take one full summer ice free season to construct the first dewatering dike (the East Dike) required allowing for development of the Portage Pit. This requires the pre-development of the two on-land starter pits on the Portage deposit to develop a stockpile of broken rockfill material ahead of the start of construction that will be required to construct the outer shells of the East Dike. AEM is applying for a renewal and amendment of its Tehek Lake access Road Type B Water License (8BC-TEH0708) to allow for the stripping of overburden and the development of these two starter pits in the winter of 2008 (April thru June) to develop a sufficient stockpile of broken rock to allow for summer construction of the East Dike. All rock would be stockpiled within the footprint of these two starter pits.

Agnico-Eagle Mines Limited proposes to set up a batch concrete plant on the proposed Meadowbank plant site late in the first quarter of 2008 to allow concrete to be produced for the footings for the permanent camp and other plant site facilities. The proposed batch plant is a relatively small mobile batch plant to be used to mix cement, aggregate and water in appropriate proportions to produce concrete for footings, foundations and floors during construction. Aggregate will be produced on site by crushing and screening of quarried rock. All screening will be dry screening (i.e. no wash plant). All cement has been shipped to site in supersacs (2007 summer sea lift).

The plant will be set up on a rock fill pad on the plant site in an area immediately to the northeast of the planned 5 million fuel storage tank (see attached Figure – Starter Pit Layout Drawing). It will be inside a bermed area. All wash water will be recycled through the batch plant whenever possible. Excess water will be sent to Attenuation Pond #1. The plant will generate no other waste materials. It is anticipated that the water consumption for this batch plant will average 15 m^3 per day.

3. Temporary Closure – Care & Maintenance

There is a risk that the Meadowbank Project will not be granted the Type A Water License from the NWB, or the Commercial Production Lease from the KIA, or the required authorizations from Fisheries and Oceans Canada in sufficient time to allow for the completion of the East Dewatering Dike in the 2008 summer construction season. In such an incident the site will have to be secured and placed on a care and maintenance footing until the start of the 2009 construction season (July 2009).

In such an event all construction activity will be suspended however regional exploration may continue. The site equipment and buildings will be winterized, secured and placed on a care and maintenance basis for one year. The fuel facilities will be locked and the site left under the care of a two person care and maintenance team.

4. Permanent Closure and Reclamation

There is a risk that the Meadowbank Project will for some unexpected reason not receive a Type A Water License from the NWB or Commercial Production Lease from the KIA or the required authorizations from Fisheries and Oceans Canada and thus cannot proceed. In this case the pre-development facilities and disturbances will have to be reclaimed and the site remediated without the Meadowbank Project proceeding into the construction phase. In such an event, all equipment, structures and fuel storage tanks will be cleaned and removed from the area of the lease prior to lease termination. In general all non-hazardous buildings, materials and equipment will be removed by the Tenant (AEM) and transported to Baker Lake. All materials and equipment will be offered for purchase by local interests. Any items which are unsold will be shipped to points south from Baker Lake on barges. Local persons and businesses will be given 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 core stored in racks at the site. The following sections provide more details on how the site would be reclaimed on a facility by facility basis in such a circumstance.

4.1. Existing Exploration Camp (North and South Camps)

Once these camp facilities are no longer required to support the ongoing reclamation activity, all equipment will be removed by AEM. Local persons and businesses will be given the opportunity to salvage camp equipment that would otherwise be destroyed prior to removal by AEM. Cleanup would consist of first going through the camp and removing all potentially hazardous materials. These materials will be appropriately packaged and shipped south for appropriate recycle of disposal under the GN Waste Generator manifesting procedure. All salvageable material, equipment and structures will then be removed and offered for sale locally. Materials not sold will be sent south for disposal. All other non-hazardous materials will be shipped south for disposal at an appropriate landfill facility.

The Meadowbank Project has historically utilized two camp sites: the south camp located on an island in Third Portage Lake and the north camp located on the mainland, approximately one kilometre north, near the proposed mill site for potential development of the project. The north camp began operation in the summer of 2002 and reclamation of the south camp site has been ongoing since that time. As of the spring of 2006, all the structures have been moved from the south camp to the north camp, with the exception of the core shack which remains intact at the site.

Structures presently in use at the north camp include:

- a stick built kitchen/dry structure,
- 4: 14’x16’ Weatherhaven sleeper tents,
- 19: 14’x16’ wooden framed canvas sleeper tents,
- 13: 12’x12’ Weatherhaven sleeper tents,
- a 16’x55’ Weatherhaven shower/toilet,
- a 24’x 84’ Weatherhaven core shack and
- a 24’ x 32’ Weatherhaven office tent,
- a plywood generator shed and driller’s shop and
- a 42’ x 70’ temporary Cover-all fabric building.

All Weatherhaven units and canvas tents will be removed by AEM. All remaining structures and building materials will be demolished and the demolition material offered to local residents. Unwanted material will be shipped south for appropriate disposal in a landfill or with the Hamlet’s authorization disposed of at the municipal land fill at Baker Lake. The rigid structures and Weatherhaven units will be offered to local interests.

4.2. Exploration Airstrip

All of the airstrip lighting, windsock and associated facilities will be removed and shipped off site. The area of the airstrip will be then be re-contoured using a small dozer to ensure that all natural precipitation is shed onto the surrounding tundra. The airstrip surface will then be roughed up and furrowed using a grader and dozer equipped with a ripper attachment. The objective is to create a rough surface where moisture can be trapped to encourage over time the natural invasion of vegetation.

It should be noted that the airstrip will be one of the last facilities reclaimed so that it can continue to be used during the reclamation period. The airstrip will be reclaimed just before the final removal of equipment from the site.

4.3. Airstrip Quarry

The airstrip quarry walls will be laid back to a maximum angle of 45 degrees to provide long term stability and to prevent risk of harm from falls over a high wall. The highest wall height is expected to be in the order of 10 meters. The floor of the quarry will be graded to shed natural precipitation runoff onto the surrounding tundra. Any equipment will have been removed prior to the start of reclamation. The quarry was previously characterized for its geochemical characteristics and is not expected to be a long term potential source of poor quality drainage (non acid generating and low metal leaching potential)

4.4. On Site Roads and Rockfill Pads

All of the on-site roads which have been constructed during this pre-development period will be decommissioned and returned as close as possible to the original ground profile. This will involve grading off any roadside berms and recontouring the road surface so that it drains naturally onto the surrounding tundra typically in a direction that has the water away from the nearest natural water body or drainage pathway to make for the longest possible travel route over the surrounding tundra. This is to allow the tundra to attenuate the flow to the greatest extent possible mimicking the pre-development conditions. All of the pre-existing drainage courses will be re-established and all culverts removed. The sides of the road where the culverts are removed will be laid back to a minimum 3:1 slope angle and armoured with coarse rock to prevent erosion from high runoff events. The disturbed road surfaces will then be scarified and fertilized to promote the regrowth of a natural vegetative cover over time.

Quarried rock has been placed at the site to establish a level supporting surface under the fuel tanks, the permanent camp facilities, the sewage treatment plant and as lay down areas for storage of equipment and materials. As for the site roads these surfaces will be decommissioned and returned as close as possible to the original ground profile. This will involve grading off any berms and recontouring the surface so that it drains naturally onto the surrounding tundra typically in a direction that has the water away from the nearest natural water body or drainage pathway to make for the longest possible travel route over

the surrounding tundra. This is to allow the tundra to attenuate the flow to the greatest extent possible mimicking the pre-development conditions. All of the pre-existing drainage courses will be re-established and all culverts removed. The sides of the pads where culverts are removed will be laid back to a minimum 3:1 slope angle and armoured with coarse rock to prevent erosion from high runoff events. The disturbed rock fill (gravel) surfaces will then be scarified and fertilized to promote the regrowth of a natural vegetative cover over time.

These pad areas are bordered by natural vegetation. Overburden and till from the stripping of the north and south starter pits will be placed over these regarded areas where appropriate and then fertilized and allowed to re-vegetate naturally over time.

4.5. North and South Portage Overburden Stockpiles

AEM has proposed to prepare the north and south Portage starter pits during the second quarter of 2008 (April thru June) to allow dike construction to start during the summer of 2008 as soon as (and if) the Type A water license is granted (expected in early July). In order to prepare the ground for rock excavation, it is initially necessary to excavate the overburden. Stripping of 0.9 Mt of overburden on the South Portage Pit footprint and of 1.9 Mt on the North Portage Pit footprint and some rock preparation is planned to prepare for the start of dike construction. To minimize the effects on the environment, the broken rock will be left in the pit footprint until AEM receives the Type A Water License.

The first zone to be excavated will be the south Portage starter pit as shown on the attached Figure 1). Approximately 0.9 million tonnes of overburden will be removed from that zone. This overburden will be placed in two stock piles, one west of the south starter pit and one located east of the starter pit.

In parallel, the same type of excavation work will take place in the north Portage starter pit as shown on Figure 1). Approximately 1.9 million tonnes of overburden will be excavated from the north zone and will be placed in a stockpile located in close proximity to the north starter pit as shown on Figure 1.

In the event where all future development work on the Meadowbank Project is to be halted such as in the case where a Type A Water License, Production Lease or DFO Authorization will not be forthcoming, then AEM will be responsible for the reclamation of all pre-development activity. These three overburden stockpiles will be picked up and replaced over top of the North and South Portage starter pits. Some of the overburden will be used to provide a growth substrate over top of the rockfill building and lay down pads on site. Due to swell factor the replaced overburden is expected to create a small mounded area over top of the North and South starter pit areas. It has been assumed that only 75% of the three stockpiles will be recovered with the remaining 25% being left on the stockpile footprint to protect further disturbance of the underlying permafrost. The material would be moved using two CAT 777 mine haul trucks. With overburden the capacity of each truck per trip will 75 tonnes with a cycle time of 7 minutes between the

overburden stockpile and the starter pit area. Once the reclaimed overburden has been placed, the resulting mounded areas will be covered by an organic coconut matting placed over the full areal extent of the disturbed area. The coconut matting will be staked in place to hold it to the ground. The purpose of this matting is to minimize erosion until an early vegetative cover can be established. The area will then be fertilized to promote the establishment of native plants over time.

The three areas used to stockpile the overburden from these two starter pits will be carefully cleaned. The objective would be to recover as much stockpiled material as possible without removing the underlying ground surface (estimated at 75% recovery). This will result in leaving approximately 0.5 to 1.0 meter of stripped overburden in place at each site. These three areas will be treated in a similar fashion as the mounded areas of overburden placed back over the two starter pits: placement of coconut matting followed by fertilizer to encourage natural vegetation to re-establish.

4.6. North and South Portage Starter Pits

Once overburden excavation is completed, the next stage at the two Portage starter pits will be to prepare the rock within the exposed open pit zones which will be used for dike construction (the East Dike). The exposed surface waste rock will be drilled and blasted. To minimize the effects on the environment, the broken rock will be left in place in the two pre-development zones. Estimated quantities of drilled and blasted material in the south and north Portage starter pits are summarised in the following tables:

Table 1 Estimated quantities of blasted rock left in place

Zone	Rock Type*	Vol. in-place (m^3)	Vol. blasted (m^3)	Tonnes
South	Ore	17 594	26 391	54 894
	UM	4 019	6 028	11 293
	IV	58 868	88 301	161 886
	IF	51 213	76 819	159 784
	QZ	-	-	-
	Total	131 694	197 540	387 857
North	Ore	19 773	29 660	61 693
	UM	14 863	22 294	41 765
	IV	404 283	606 425	1 111 779
	IF	107 976	161 964	336 886
	QZ	2 469	3 703	6 542
	Total	549 365	824 047	1 558 665

* Ore = Mineralized material UM = Ultramafic IV = Intermediate volcanic
IF = Iron formation QZ = Quartzite

Table 2 South zone blasted rock quantities left in place, by bench

	Tonnes					
	Ore	UM	IV	IF	QZ	Total
Bench 136	39 887	11 293	111 860	143 164	-	306 204
Bench 142	15 007	-	50 026	16 620	-	81 653
Total	54 894	11 293	161 886	159 784	-	387 857

As indicated in the previous section in the event where all future development work on the Meadowbank Project is to be halted such as in the case where a Type A Water License, Production Lease or DFO Authorization will not be forthcoming, then AEM will be responsible for the reclamation of these two starter pits. The broken rock will be left in-situ and covered by the replacement of the removed overburden as described in the previous section.

4.7. Permanent Accommodation Camp

The permanent accommodation camp consists of assembled trailer units connected by arctic corridors to create living accommodations and kitchen facilities for a nominal camp capacity of 340 persons (340 rooms). At closure these trailer units will be disassembled and removed from site. The units will be offered for sale to local businesses, the KIA and the GN from Baker Lake. If not sold then the units will be shipped south by barge for sale. The arctic corridors will be similarly disassembled and removed from site. Any remaining debris (piping, blocking, etc.) will be removed and disposed off either in the landfill at Barker Lake (only with authorization from the Hamlet of Baker Lake) or shipped south by barge for disposal in the south.

4.8. Sewage Treatment Plant (STP)

The sewage treatment facilities are modular facilities that once decommissioned can be removed intact. At final closure and after the camps have been decommissioned then the STP would be washed out with all of the sludges pumped through the filter press and the filtrate sent to the Stormwater management pond (Tear Drop Lake). The sludges will be incinerated. The plant will then be removed and shipped to Baker Lake where it would be offered for sale. If unsold then the STP will be shipped south by barge. Any remaining debris (piping, blocking, etc.) will be removed and disposed off either in the landfill at Barker Lake (only with authorization from the Hamlet of Baker Lake) or shipped south by barge for disposal in the south.

4.9. Stormwater Management Pond (Tear Drop Lake)

AEM plans to build up the retention capacity in the site storm water management pond (Tear Drop Lake) by building up a series of impervious roads around the pond and by

cutting off the natural outlet to the eastern channel between Second and Third Portage Lakes. Tear Drop Lake is a non fish bearing pond that currently freezes all the way to the bottom. After the site has been reclaimed this Stormwater management pond will be returned to its pre-development water level by restoring outflow through its original discharge channel.

4.10. Fuel and Fuel Storage Facilities

4.10.1. Removal of Remaining Fuel

All remaining bulk fuel on site that is not required for the reclamation activities will be transported back to Baker Lake and sold. The fuel will be transported by fuel tanker over the all weather access road.

4.10.2. Removal of Fuel Storage Facilities

The empty portable bulk fuel storage tanks (50,000 and 75,000 litre capacity Envirotanks) will be hauled back to Baker Lake over the all weather road and either sold locally or shipped south on a barge. The larger 5.6 million litres tank will be emptied of fuel, cleaned, dismantled and transported to Baker Lake for barge shipment south. The larger fuel tank will be offered to local interests prior to shipment from Baker Lake.

After the removal of the tank farm, the underlying HDPE liner will be removed and cut up into manageable pieces for transport off site to be disposed off either in the landfill at Baker Lake (only if allowed by the Hamlet) or shipped south for disposal.

The soil and gravel under the liner will be tested for hydrocarbon contamination. Any contaminated soils related to the fuel storage area will be removed and placed into drums and shipped south for disposal in an appropriate hazardous waste facility.
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.

4.10.3. Removal of Fuel Drums

All empty fuel drums will be drained of their contents and then crushed for transport off site. The residual fuel drained from the drums will be placed into a collection drum for shipment to a recycling facility in the south. The crushed empty fuel barrels will be removed to Baker Lake and shipped south on a barge.

4.11. Hazardous Material Removal

All hazardous materials will be collected and appropriately packaged and labelled for transport south by barge to be disposed or recycled at the appropriate licensed waste handling facilities. The materials will be shipped under the GM waste generator

manifesting protocols and in accordance with the Transportation of Dangerous Goods Act. No hazardous waste material will be left on the Meadowbank site.

4.12. Removal of Exploration and Pre-Development Equipment

All of the site mobile equipment will be moved over the all weather access road to Baker Lake. Equipment will be offered to sale to local and regional interests. Equipment not sold will be shipped south by barge.

The exploration diamond drill equipment will also 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.

No equipment will be left at the Meadowbank Project site.

4.13. Batch Concrete Plant and Aggregate Stockpile

The batch concrete plant and the entire associated infrastructure will be removed over the all weather access road and transported south. This plant is the property of the cement contractor and thus will be returned to the contractor.

Any remaining aggregate (expected to be less than 500 m^3) will be used to fill indentations as part of the final site grading.

4.14. Final Site Grading

After reclamation the site will be regarded as described previously in Section 3.4. Wherever practical the original drainage patterns will be established to mimic the pre-development drainage patterns.

4.15. Drill Core

There is approximately 70,000 metres of drill core in storage at the south camp site. Drill core is consolidated at the south camp near the old core shack in a compact area. The integrity of this core is best preserved with minimal re-handling, therefore pending permission from the Kivalliq Inuit Association (the landowner) AEM does not intend or recommend that this core be moved. It is most useful in its current storage mode and provides a valuable geologic reference for these deposits. Drill core is also stored at the north camp in the same manner. At present the core storage facilities located in the north camp contain an additional 51,000 metres of core. It is also intended that this drill core will remain at the site after camp demobilization.

4.16. Revegetation Considerations

Nunavut currently requires that only native plants be used for revegetation in the territory. This limits the ability to revegetate on a large scale as there currently is no readily available source for native plant seed material in Nunavut or elsewhere. There is also a lack of available organic soils in the Project area and tough climatic conditions (short cold and dry growing seasons) that make it difficult to establish vegetation over large surface areas such as Meadowbank. Consequently the establishment of vegetation will rely primarily on providing conditions conducive to natural recolonization of the site by the surrounding native vegetation.

4.17. Trenches, Sumps and Drill holes

Trenches, sumps and drill-holes will be backfilled with inert material such as the drill cuttings that were previously removed and stockpiled beside the excavated or drilled areas. The area of impact will then be hand graded using rakes, re-contoured and fertilized to enhance the establishment of native plants from the surrounding area.

5. Site Monitoring

AEM has a responsibility to the landowner to continue environmental monitoring and maintenance at the site until it can be demonstrated that the reclaimed site is both chemically and physically stable. In other words AEM will continue environmental monitoring until water quality demonstrates that the reclaimed site is not causing adverse environmental impact. It is expected that this will take many years however it is expected that the frequency of monitoring will diminish with time assuming the site is chemically and physically stable.

AEM assumes that annual environmental monitoring of the site will take place in the spring at freshet and again in late summer prior to freeze-up. The monitoring will consist of water quality monitoring of both surface runoff and local lakes, measuring and documenting plant re-growth, ensuring that the reclaimed site and the remaining core racks and boxes are physically stable and inspecting potential problem areas for erosion and run-off into the Lake. Reports, including photographs, will be submitted to the land owner (KIA) and to the NWB.

6. Reclamation Cost Estimate – Meadowbank Site - Pre-Development Phase

AEM acknowledges that it takes on the risk and responsibility to fully reclaim the Meadowbank Project site in the event that the Meadowbank Project for some unexpected reason does not receive a Type A Water License from the NWB or Commercial Production Lease from the KIA or the required authorizations from Fisheries and Oceans Canada and thus cannot proceed. In this case the pre-development facilities and disturbances will have to be reclaimed and the site remediated without the Meadowbank Project proceeding into the construction phase.

The total cost of reclaiming the Meadowbank site under such a condition is estimated at $3.9 million. The detail breakdown of this estimate is presented in Table 3 as follows:

Table 3: Pre-Development Reclamation Cost estimate Breakdown

Activity	Cost by Activity	# of Person Days
Demolition and Removal of Existing Exploration Camp		
	$33,100	400
Exploration Airstrip		
	$5,775	60
Airstrip Quarry		
	$10,750	40
Site Roads and Rockfill Pads		
	$25,150	60
North & South Portage Starter Pits & Overburden Piles		
	$1,561,500	23787
Permanent Accommodation Camp		
	$81,650	520
Sewage Treatment Plant		
	$4,450	70
Stormwater Management Pond		
	$1,850	20
Fuel & Fuel Storage Facilities		
	$51,800	310
Hazardous Materials		
	$57,000	40
Batch Concrete Plant		
	$3,900	70
Demobilization to Baker Lake		
	$385,000	60
Demobilization from Baker Lake		
	$610,800	$20
Reclamation Management & Care & Maintenance		
	$574,733	
Post Closure Monitoring		
	$174,000	
Sub Total	**$3,581,458**	**25,457**
Contingency Allowance		
10% Contingency	$358,146	
Total Estimated Reclamation Cost	**$3,939,603**	

A breakdown of this detailed estimate is attached as Appendix A.

The reclamation cost estimates were based on the following general criteria, information and assumptions:

- A third-party contractor (probably a local contractor from Baker Lake) will be engaged to maintain the site on a care and maintenance basis from the date of final closure by AEM to the completion of reclamation. All closure and reclamation activities, and operation of site support facilities during the care-and-maintenance and reclamation periods, will be performed by contracted labour and equipment;

- The site will be abandoned by AEM in a general state such that site facilities and mobile equipment are operational, but will require inspection, minor repairs, maintenance and an assessment of spare parts inventory needed for the care-and-maintenance period and the closure and reclamation program;

- Reclamation measures will be as described in Section 5; and

- The overall closure and reclamation schedule will be as described below:

Labour Costs

Labour costs were estimated by applying an inclusive unit labour rate to the estimated durations for closure and reclamation activities.

Labour rates were calculated using typical wages and benefits for open shop contractors. The all-inclusive labour costs were based on working 21 ten-hour days on-site followed by a 7-day rotation off-site, which equates to working 210 hours in a four-week period. The following are included in the wage rate:

- Base labour wage rate
- Overtime premiums
- Casual overtime allowance
- Benefits and burdens
- Workers' Compensation premiums
- Travel time
- Travel costs
- Appropriate crew mixes
- Small tools and consumables
- Contractor temporary facilities and services
- Contractors' overhead and profit.

The average loaded unit labour rates used for cost estimating purposes are as follows:

Unit Rates	$ per Hour
Labour	
General Labour	$50.00
Heavy Equipment Operator	$60.00
Journeyman Tradesperson	$65.00

All contractor-related temporary facilities and services were included in the hourly wage rate, with the exception of camp and catering, the costs of which have been estimated separately. Management costs are estimated at 70 days at $500/day or $35,000.

The following heavy equipment operating costs were applied. These unit rates include fuel, other operating supplies and maintenance costs. The equipment operator's labour rate is not included in these unit costs:

Equipment	
Crane	$150.00
Dozer	$125.00
Front End Loader	$125.00
Mine Haul Truck	$100.00
Grader	$100.00
Forklift	$60.00
Highway Tractor	$60.00

Salvage

No salvage value has been assumed in the estimate.

Contingency

A contingency of 10% was applied to all project costs to cover unforeseeable costs within the scope of the estimate.

Exclusions

The following are not included in the estimates:

- Non-Project specific Government overhead and administration expenses during the care-and-maintenance phase, closure and reclamation phase and post-closure phase;
- Taxes and duties;
- Cost of schedule delays such as those caused by:

- Scope changes;
- Unidentified ground conditions;
- Labour disputes;
- Environmental permitting activities;

7.0 Reclamation Cost Estimate – Tehek Lake Access Road

The reclamation of the Tehek Lake access road was previously estimated at $0.5 Million in the "Abandonment and Restoration Plan for the Tehek Lake Access Road" submitted by Meadowbank Mining Corporation to the NWB under Type B Water License 8BC-TEH0708 in 2007.

Figure 1: Exploration Site Plan

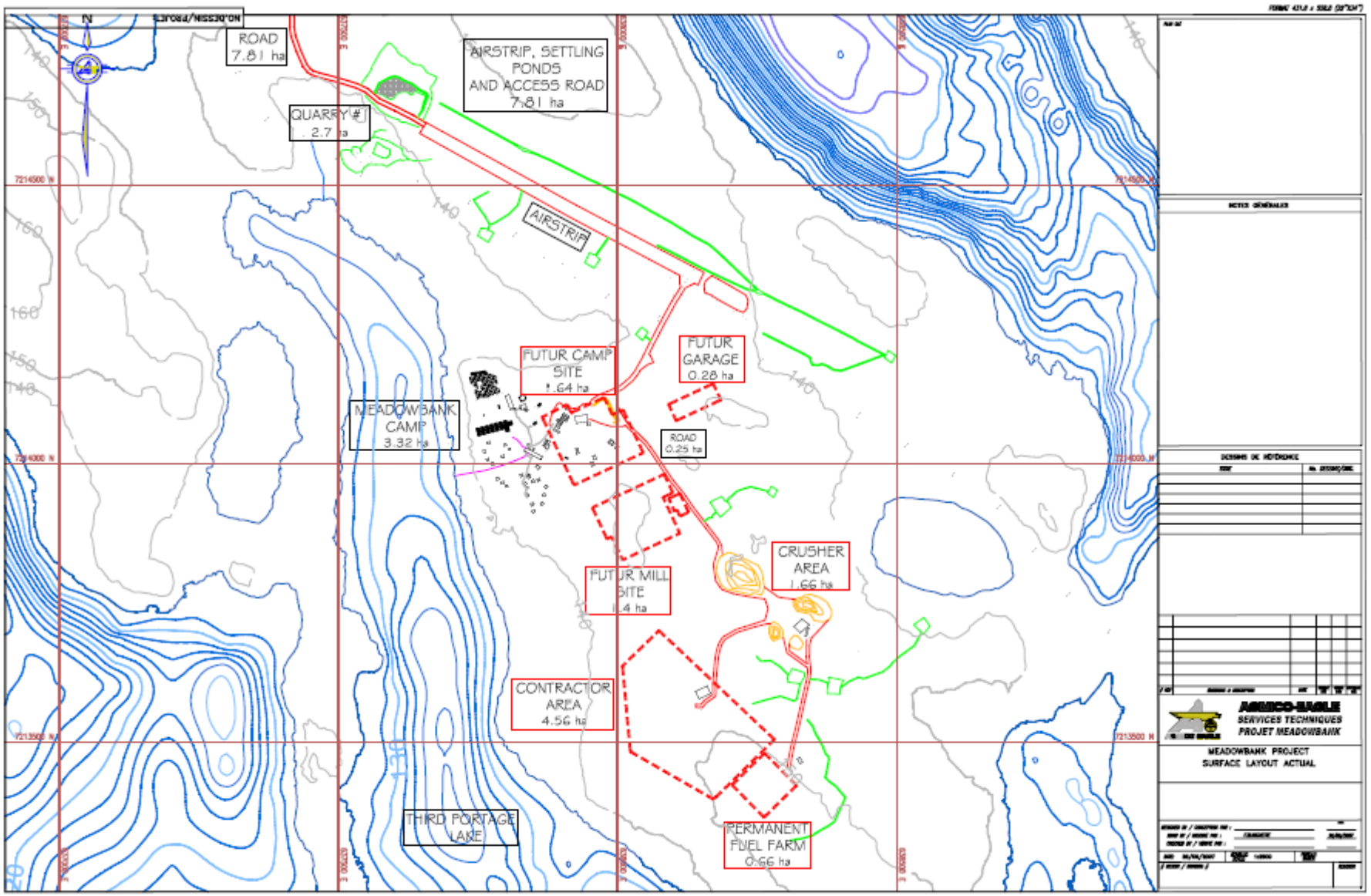
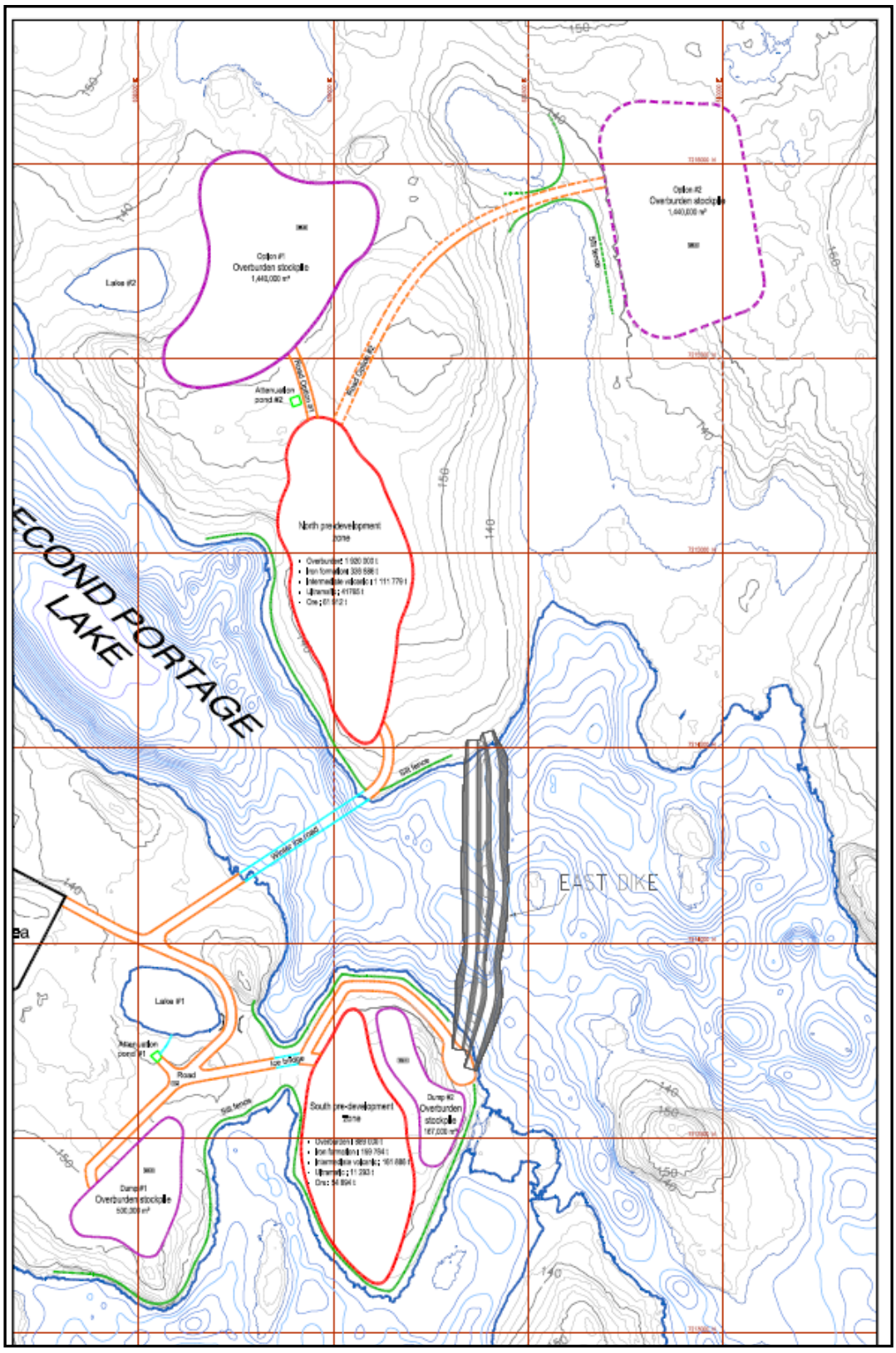


Figure 2: Pre-Development Site Plan



APPENDIX A

Pre-Development Reclamation Cost Estimate

Meadowbank Project
Pre-Development Reclamation Cost Estimate

Activity	Item	Unit	# of Units	Cost/Unit	Cost by Activity	# of Person Days
Demolition and Removal of Existing Exploration Camp						
Removal of Hazardous Materials	Labour	Person Hours	40	$50.00	$2,000	40
	Materials	lot	1	$ 2,500.00	$2,500	
Removal of Internal Materials						
	Labour	Person Hours	200	$50.00	$10,000	200
	Materials	lot	1	$ 2,500.00	$2,500	
Dissassembly & Packing of Tent Structures						
	Labour	Person Hours	100	$50.00	$5,000	100
	Materials	lot	1	$ 2,500.00	$2,500	
Demolition of Wood Structures						
	Labour	Person Hours	60	$60.00	$3,600	60
	Materials	lot	1	$ 2,500.00	$2,500	
	Equipment	Equipment Hours	20	$125.00	$2,500	
Sub-Total					$33,100	400
Exploration Airstrip						
Removal of Lighting & Other Structures	Labour	Person Hours	10	$50.00	$500	20
Regrading of Airstrip	Labour	Person Hours	15	$125.00	$1,875	20
	Equipment	Equipment Hours	15	$ 120.00	$1,800	
Scarifying Airstrip	Labour	Person Hours	10	$60.00	$600	20
	Equipment	Equipment Hours	10	$100.00	$1,000	
Sub-Total					$5,775	60
Airstrip Quarry						
Lay Back Quarry Walls	Labour	Person Hours	40	$60.00	$2,400	20
	Equipment	Equipment Hours	40	$ 100.00	$4,000	
	Materials	lot	1	$ 2,500.00	$2,500	
Regrading of Quarry Floor	Labour	Person Hours	10	$60.00	$600	20
	Equipment	Equipment Hours	10	$125.00	$1,250	
Sub-Total					$10,750	40
Site Roads and Rockfill Pads						
Removal of Culverts (6)	Labour	Person Hours	60	$60.00	$3,600	20
	Equipment	Equipment Hours	60	$ 125.00	$7,500	
Regrading of Roadways and Pads	Labour	Person Hours	50	$60.00	$3,000	20
	Equipment	Equipment Hours	50	$125.00	$6,250	
Scarifying Roadways and Pads	Labour	Person Hours	30	$60.00	$1,800	20
	Equipment	Equipment Hours	30	$100.00	$3,000	
Sub-Total					$25,150	60
North & South Portage Starter Pits & Overburden Piles						
Moving of Overburden to Cover Starter Pits						
2.8 Mtonnes x 75 % recovered and moved						
Front End Loader	Equipment	Equipment Hours	2300	$125.00	$287,500	
	Labour	Person Hours	2300	$60.00	$138,000	4667
Haul Trucks - see note below for cycle time and truck efficiency factors used	Equipment	Equipment Hours	4000	$100.00	$400,000	
	Labour	Person Hours	4000	$60.00	$240,000	14000
Dozer	Equipment	Equipment Hours	2000	$125.00	$250,000	
	Labour	Person Hours	2000	$60.00	$120,000	4000
Grader	Equipment	Equipment Hours	500	$100.00	$50,000	
	Labour	Person Hours	500	$60.00	$30,000	1000
Installation of coconut matting	Labour	Person Hours	80	$50.00	$4,000	80
	Materials	lot	1	$ 25,000.00	$25,000	
Fertilizer Application	Labour	Person Hours	40	$50.00	$2,000	40
	Materials	lot	1	$ 15,000.00	$15,000	
Sub-Total					$1,561,500	23787
Permanent Accommodation Camp						
Removal of Hazardous Materials	Labour	Person Hours	40	$50.00	$2,000	40
	Materials		lot		$2,500	
Removal of Internal Materials						
	Labour	Person Hours	40	$50.00	$2,000	40
	Materials		lot		$5,000	
Dissassembly & Trailers & Arctic Corridors						
	Labour	Person Hours	400	$60.00	$24,000	400
	Equipment	Equipment Hours	200	$150.00	$30,000	
	Materials		lot		$5,000	
Demolition of Wood Structures						
	Labour	Person Hours	40	$60.00	$2,400	40
	Materials		lot		$5,000	
	Equipment	Equipment Hours	30	$125.00	$3,750	
Sub-Total					$81,650	520

Meadowbank Project
Pre-Development Reclamation Cost Estimate

Activity	Item	Unit	# of Units	Cost/Unit	Cost by Activity	# of Person Days
Sewage Treatment Plant						
Wash Out Plant and Remove Sludge	Labour	Person Hours	20	$50.00	$1,000	40
Prepare Plant for Shipping	Labour	Person Hours	10	$65.00	$650	10
Disassemble Plant for Shipment	Labour	Person Hours	20	$65.00	$1,300	20
	Equipment	Equipment Hours	10	$150.00	$1,500	
Sub-Total					$4,450	70
Stormwater Management Pond						
Restore Outlet Drainage Channel	Labour	Person Hours	10	$60.00	$600	20
	Equipment	Equipment Hours	10	$125.00	$1,250	
Sub-Total					$1,850	20
Fuel & Fuel Storage Facilities						
Preparation of Envirotanks for off site shipment	Labour	Person Hours	40	$50.00	$2,000	80
Cleaning of 5.6 million litre bulk tank	Labour	Person Hours	40	$50.00	$2,000	80
	Material + Euipment	Lot	1	$ 20,000.00	$20,000	
Tank Demolition	Labour	Person Hours	80	$60.00	$4,800	120
	Material + Euipment		1	$ 10,000.00	$10,000	
Removal of Containment berms and liner	Labour	Person Hours	20	$60.00	$1,200	20
	Equipment	Equipment Hours	20	$125.00	$2,500	
Soil Testing	Lot		1	$ 7,500.00	$7,500	
Removal of contaminated soil	Labour	Person Hours	10	$60.00	$600	10
	Equipment	Equipment Hours	10	$ 120.00	$1,200	
Sub-Total					$51,800	310
Hazardous Materials						
Collection & Packaging of Hazardous Material	Labour	Person Hours	40	$50.00	$2,000	40
	Materials		lot		$5,000	
Disposal Cost		Lot	1	$ 50,000.00	$50,000	
Sub-Total					$57,000	40
Batch Concrete Plant						
Clean up of Batch Plant	Labour	Person Hours	10	$50.00	$500	40
Disassembly of Plant and Preparation for Shipping	Labour	Person Hours	20	$65.00	$1,300	10
Movement and Spreading of Remaining Aggregate	Labour	Person Hours	10	$60.00	$600	20
	Equipment	Equipment Hours	10	$150.00	$1,500	
Sub-Total					$3,900	70
Demobilization to Baker Lake						
Truck Loading	Labour	Person Hours	500	$50.00	$25,000	20
	Equipment	Equipment Hours	500	$60.00	$30,000	
Truck Transport to Baker Lake (200 loads)	Labour	Person Hours	2500	$50.00	$125,000	20
	Equipment	Equipment Hours	2500	$60.00	$150,000	
Truck Off Loading	Labour	Person Hours	500	$50.00	$25,000	20
	Equipment	Equipment Hours	500	$60.00	$30,000	
Sub-Total					$385,000	60
Demobilization from Baker Lake						
Barge Loading	Labour	Person Hours	120	$50.00	$6,000	20
	Equipment	Equipment Hours	80	$60.00	$4,800	
Barge Shipment South		lot	1	$ 500,000.00	$500,000	
Disposal Cost in Southern Landfill		lot	1	$ 100,000.00	$100,000	
Sub-Total					$610,800	$20
Reclamation Management & Care & Maintenance						
Reclamation Management		Days	70	$ 500.00	$35,000	
Engineering Support		lot			$20,000	
General Camp Service Vehicles during Reclamation Period		allowance	1	$ 50,000.00	$50,000	
Fuel for Power & Maintenance suppiles during reclamation period		allowance	1	$ 100,000.00	$100,000	
Camp Costs ($50 per person day)		person days	2,546	$ 50.00	$127,285	
Travel Costs ($2000 per flight - round trip)		flight	121	$ 2,000.00	$242,448	
Sub-Total					$574,733	
Post Closure Monitoring						
Post Closure Monitoring - 15 years						
Labour		Person Hours	600	$65.00	$39,000	
Equipment		Equipment Hours	300	$ 75.00	$22,500	
Analysis + Materials		Per Year	15	$ 7,500.00	$112,500	
Sub-Total					$174,000	
Sub Total					**$3,581,458**	**25,457**
Contingency Allowance						
10% Contingency					$358,146	
Total Estimated Reclamation Cost					**$3,939,603**	

Date Printed: 3/5/2008

Meadowbank Project
Pre-Development Reclamation Cost Estimate

Unit Rates	$ per Hour
Labour	
General Labour	$50.00
Heavy Equipment Operator	$60.00
Journeyman Tradesperson	$65.00
Equipment	
Crane	$150.00
Dozer	$125.00
Front End Loader	$125.00
Mine Haul Truck	$100.00
Grader	$100.00
Forklift	$60.00
Highway Tractor	$60.00

Movement of Overburden Stockpile Using		
Tonnes	2,100,000	(75% of 2.8 Mt)
Haul truck capacity	75	tonnes per trip
Number of trips	28,000	
Cycle time (hr)	0.12	hours per round trip
Number of truck hrs	2100000	rounded up to 4000 truck operating hours
Number of trucks in Use - CAT 777F	2	