

TECHNICAL MEMORANDUM



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TO:	Louise Grondin Agnico-Eagle Mines Limited	DATE:	July 12, 2007
CC:	Dan Walker Golder Associates Ltd.	JOB NO:	06-1413-089/1400
FROM:	John Hull	DOC NO:	495
EMAIL:	jhull@golder.com	VERSION:	0
RE:	CLOSURE COST ESTIMATE - BAKER LAKE FACILITIES MEADOWBANK MINING CORPORATION		

Golder Associates (Golder) has prepared a preliminary cost estimate to close the facilities that are proposed at the Meadowbank Mining Baker Lake facility. The estimate uses 2006 costs and anticipates the proposed facility as currently planned is fully developed. The facility would include:

- Barge unloading / loading ramp;
- Lay down or storage area for goods shipped each summer (i.e. containers, new equipment and dry goods etc);
- 4 diesel fuel tanks of 10 M liters with a 33.5 meter diameter;
- 1 aviation fuel tank of 1 M liters with a 11.5 meter diameter;
- An ANFO or explosive storage building or container, remote from main area; and
- Associated roads and ditches/sedimentation ponds (does not include any of access road to mine).



The anticipation is that the facility would be offered for sale to the Hamlet of Baker Lake, but that the hamlet would not purchase (for a nominal fee) the facility, so that Meadowbank Mining would de-commission all of the facilities, clean the tanks and remove the tanks and any other materials. It is anticipated the tanks would have 'no salvage value' and would therefore be demolished or dis-assembled and either shipped to another community in the area (at a cost to Meadowbank Mining) or the steel and other materials would be trucked to the Meadowbank mine site and the steel etc, would be placed in the closure landfill in the waste rock storage area north of the tailings disposal area at the mine site.

The storage facility area / lay down zone and the associated surface water management ditches would be re-graded and the area seeded with local vegetation. Studies would be completed during the mining operation to determine what type of vegetation would be the most appropriate for the remote Baker Lake location.

The estimated closure cost is \$265,000 to \$270,000. This includes some \$40,000 to remove the explosive storage building / container, remove any office or security trailer and associated fences, and re-grade the lay down area and fill in any ditches or sediment ponds. There is an allowance of \$20,000 to remove each tank (diesel and aviation) and regrade the tank containment area. It is anticipated that while the aviation tank is smaller than the other tanks, it would require as much effort given the nature of the fuel. All of the steel from the tanks would be shipped to the mine site closure landfill. An allowance of \$50,000 has been provided for soil testing and decontamination at the site. A contingency cost allowance of 15% as been allowed on the cost to decommission the site (\$28,000). In addition an allowance of 15% is added for administration costs for Meadowbank staff to complete the work (\$28,000) and a 10% allowance (\$19,000) is in added for engineering, monitoring of the closure work and a short 'Closure Completion Report'. This report would document the closure activities and show the site before the work started and after the effort was complete.

The costs anticipate that a contractor in Baker Lake or from outside the area would be contracted to complete the effort. This estimate does not include any allowance for post-closure monitoring or care of the site.

JAH/DRW/aaf/kt

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