

EXHIBIT NL-10



**BUCHANS MINE
ACTION PLAN TOWARDS
ENVIRONMENTAL COMPLIANCE AND CLOSURE
2006**

Submitted by:
Abitibi-Consolidated Inc.
1155 rue Metcalfe, bureau 800
Montreal, QC
H3B 5H2

Submitted to:
**Department of Environment and Conservation
Pollution Prevention Division**
P.O. Box 8700
St. John's, NL
A1B 4J6

and

**Environment Canada
Environmental Protection Branch**
6 Bruce Street
Mount Pearl, NL
A1N 4T3

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1.0 INTRODUCTION

Abitibi-Consolidated Inc. (Abitibi) is continuing its commitment to the required environmental compliance and closure of the Buchans Mine Site (Site). An Environmental Closure Schedule (Schedule) has been agreed between the provincial and federal governments and the former co-tenancy (ASARCO and Abitibi) and this continues to be the guideline for which all remediation and compliance goals are established. Since cessation of mining operations at the Site in 1984, numerous initiatives have been undertaken to assist in meeting the Schedule. Results to date have been encouraging with natural, passive bioremediation techniques taking a priority over mechanical or chemical treatment systems.

The following 2006 Action Plan (Plan) has been devised based on actions and results from the 2005 Plan. The tasks outlined in the current Plan address the identified remaining issues for 2006 related to Site environmental compliance and closure. The Plan identifies each issue and outlines the tasks and schedule associated with them. It also incorporates comments and input from both Abitibi and the provincial and federal governments received to date. Any locations where closure has been achieved and/or no further remediation is anticipated have been identified within the Plan.

2.0 OBJECTIVES

The overall objective of the Plan is compliance with the applicable provincial and federal regulations. Specifically, they are:

- 1) To comply with the federal *Fisheries Act* and Metal Mining Liquid Effluent Regulations and Guidelines, made pursuant to Section 36 of that Act, and the Newfoundland Environmental Control (Water and Sewage) Regulations, 1980.
- 2) To protect the water quality and aquatic life of Buchans Brook, Red Indian Lake and the Exploits River.
- 3) To establish and undertake environmental monitoring and evaluation programs.

3.0 PLAN DETAILS

This section outlines the outstanding issues regarding environmental compliance and describes the tasks and schedule to complete each. Further details such as design criteria, drawings and reports regarding several tasks will be submitted when finalized. These tasks are clearly stated in the Plan along with their proposed schedule. It should be noted that in the event that results of ongoing programs, or unexpected events, dictate changes to the schedule, a modified schedule will be submitted.

A detailed digital map of the Buchans area and mine site has been completed and submitted. This map is used to document actions at the Site and will be updated to document ongoing remediations. The map also includes water sampling locations. Copies of the most recent updates are presented on the map in Appendix A.

3.1 BIOLOGICAL POLISHING TREATMENT SYSTEM (POLISHING PONDS)

3.1.1 Bioprecipitation

The polishing pond program has been operating in Buchans since 1988. Monitoring of the Oriental Wetlands Treatment System is ongoing and the efficiency of the system to remove zinc has been identified as a potential concern, particularly during the winter months. Their overall performance appears to have been declining between 2001 and 2004.

The proposed enhancement by ARCADIS to the Oriental Treatment System was implemented in 2005. Both solid and soluble carbon sources were added to the system in an attempt to increase its bioprecipitation capacity. The mean annual zinc concentration of effluent from the Oriental Treatment System in 2005 was measured at 9,942ppb with a total loading of 6.41 tonnes. This concentration and loading was lower than 2004 and are among the lowest values since 1999 when the Valley Seeps were diverted to the system. It is thought that the carbon additions have significantly increased the efficiency of the Oriental Pits but has had less of an effect on the Polishing Ponds themselves (discussed in Section 3.1.2).

Monitoring of the system will continue in 2006 with no additional carbon sources scheduled for input to the system. The upper limit of the suggested volume of biosolids (272,000 kilograms - fifty truckloads) was deposited into the Polishing Ponds in 2005 so that ongoing disturbance to the system could be avoided and maximum benefit extracted from these additions.

In addition to ongoing monitoring, a research partnership is currently being negotiated with the federal department of Natural Resources through the CANMET Mining and Mineral Sciences Laboratories (CANMET). CANMET has been studying natural remediation of metals via sulphur-reducing bacteria similar to the Buchans Polishing Ponds over the past number of years and are very interested in using the Buchans site to verify lab results. It is encouraging to note that the process researched by CANMET is very similar to the design and operation of the Buchans Polishing Pond system. Results of the CANMET studies will allow further insight into the Polishing Ponds and may allow further efficiencies to be achieved. At this time, non-disclosure agreements and proposals for undertakings are being developed.

Schedule

Water sampling (see Section 3.3.1) will be conducted at least monthly at the old mine drainage tunnel, oriental east pit (including drainage tunnel effluent and Valley Seeps), oriental east pit - final effluent (polishing pond outflow) and Buchans Brook, at various locations.

Where sampling points show compliance with the applicable regulations, Abitibi would suggest that further sampling would be continued at the company's discretion. For example, sampling points farther downstream along Buchans Brook may be eliminated from the sampling regime, or reduced to annual sampling, if they show zinc values below 500ppb throughout 2006.

The schedule of any research conducted in collaboration with CANMET will be presented to government once finalized.

3.1.2 Polishing Pond Rehabilitation

The polishing ponds consist of a total of eight pools (two sets of four parallel pools). The second rehabilitation program designed to increase the efficiency with the Polishing Ponds may be the cleaning of the existing pools within the system. In 2004, four of the eight polishing ponds were cleaned (i.e. one set of four parallel pools) (Photo 3.1).

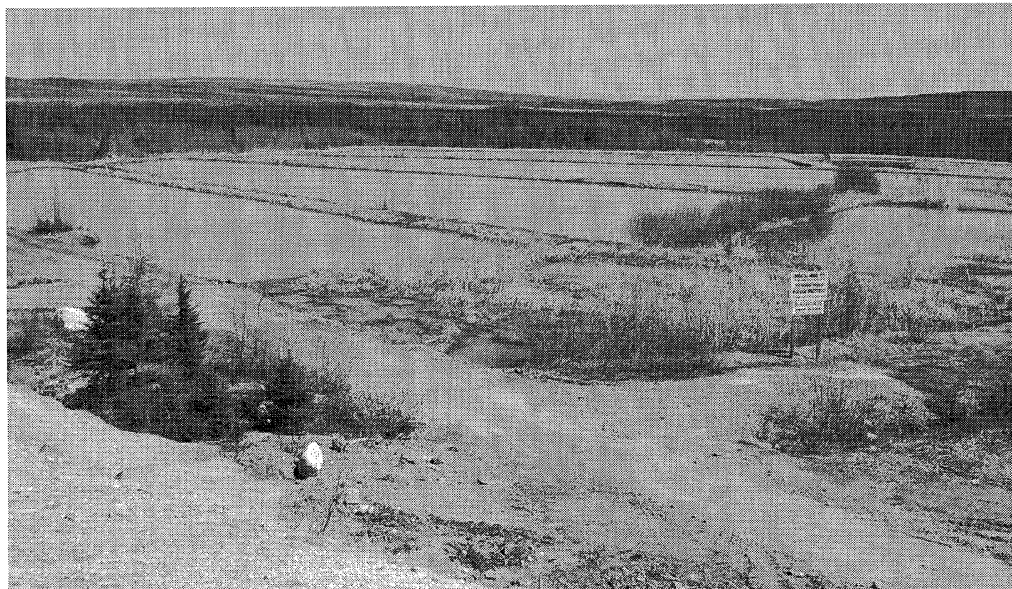


Photo 3.1. Cleaned polishing ponds (numbers 14 to 17), May 24, 2005.

In addition to assessing the addition of carbon sources, the efficiency of the cleaned and uncleaned pools in the Polishing Ponds was assessed in 2005. The overall mean reduction in zinc concentrations through the cleaned pools was 1,500µg/L lower than that through the uncleaned pools. While this reduction was not statistically significant, it

may be prudent to clean the remaining pools as it may decrease zinc concentrations of effluent and provide an accelerated schedule for compliance and closure.

Similar to pools 14 to 17, the remaining pools (pools 10 – 13) will be cleaned of accumulated debris including placed organic substrate, cattails and precipitated metal compounds. The pools will be dewatered prior to work to avoid release of silt and debris by diverting all flow through the other four pools for the duration of cleaning activities. The pools will be deepened from their average designed depth of 0.45m to approximately 0.9m, doubling their original designed capacity. The sides will be contoured so that a portion of the organic debris will be maintained within the pools. It is currently proposed that a larger portion of the cattails will be left in the cells (compared to previous cleaning activities) so that seed stock is available for revegetation.

Conversations with CANMET in June, 2006 on site lead to a slight design change whereby the cells were not cleaned of all organics but rather two sills were constructed within each cleaned cell such that water must "meander" through each cell. This will allow further retention time and additional shallow substrate for cattail growth.

Schedule

Cleaning the remaining four pools will be conducted in the spring (May-June) so that maximum stabilization can be achieved prior to the winter of 2006. Diversion of water will be conducted in April to allow time for de-watering of the pools. No further action will be required beyond this (except monitoring).

Monitoring of the effectiveness of all pools is ongoing and will continue throughout 2006 on the standard monthly timeframe identified in Section 3.3.1 below.

Polishing Pond Biosolid Waste

It is currently proposed that the biosolids removed from all cleaned Polishing Pond pools will be integrated into the remediation plans for the Oriental Waste Dumps rather than disposal at an approved Waste Disposal Site. Biosolids from cleaned pools will be stockpiled near the polishing ponds and sampled for copper, lead and zinc content as per CCME guidelines to determine the nature of the material prior to use.

3.2 REMEDIATION OF TAILINGS AREAS

3.2.1 Tailings Pond Area Amendment/Revegetation

Three areas near the Tailings Ponds were scheduled for revegetation in 2005. All sites identified were augmented with biosolids and seeded with no further revegetation planned in 2006 for these areas.

Revegetation success will be monitored in 2006 at each location with reseeding in areas where required. If reseeding is required, it will be conducted without heavy machinery if possible to avoid further disturbance. Each area will again be spread with topsoil to an approximate depth of 0.1m and seeded using Canada No.1 Ground Cover Mixture.

Schedule

Monitoring of the 2005 revegetation areas will be conducted in June once all vegetation in the area has a chance to germinate. A photographic record of each revegetation location will be completed to document growth.

3.2.2 Tailings Spill Area

The Tailings Spill Area (Spill) is contained within the Valley Drainage Area to the east of the Town and is a major contributor of zinc to Buchans Brook (Figure 3.2). Tailings Spill improvements have been implemented since 1998 and have included improved runoff to divert water away from the Spill and some surface reclamation at the Spill itself as well as rehabilitation and landscaping of a barren, metal-spoiled, area west of the mill building which forms part of the Spill catchment area. The overall objectives of remediation in the Spill area to date have been to expedite the flow of surface drainage from the catchment area, to minimize contact with the weathered tailings and to immobilize heavy metals contained in the soil surrounding the Lucky Strike Mine and Mill. While these ongoing activities will, over time, reduce the quantity of zinc discharging to Buchans Brook via Valley Drainage, the issue of remediation of the Tailings Spill area itself is critical in significantly reducing overall zinc levels from the Site.

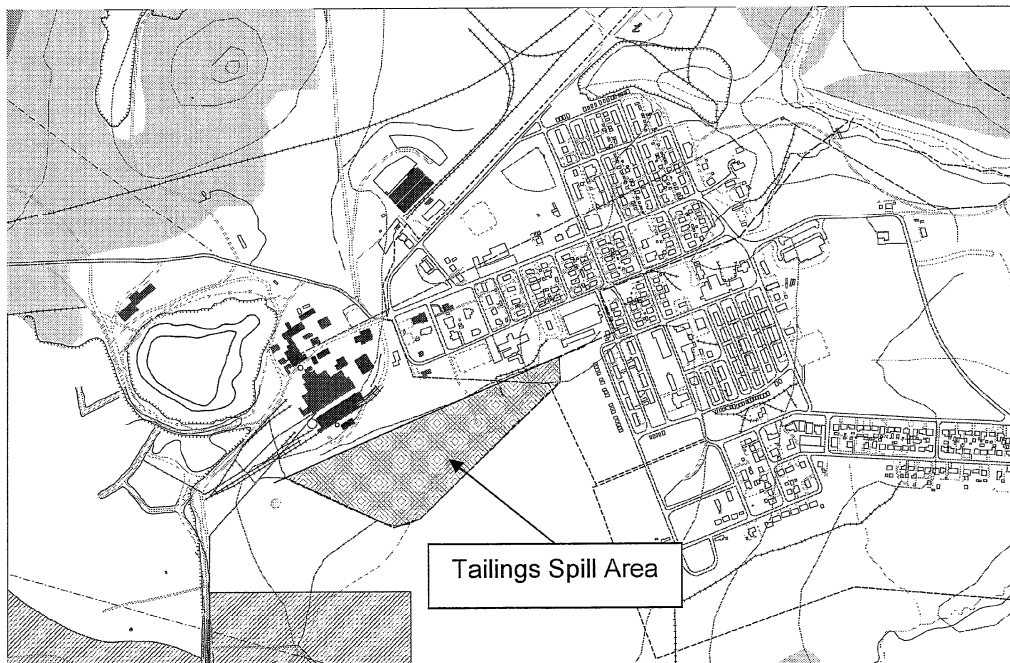


Figure 3.2. General location of Tailings Spill area.

A proposed cover that would restrict water infiltration and reduce the amount of oxygen available for oxidation and further acid generation at the Tailings Spill area was initially proposed in the 2005 Work Plan. However, prior to any capping or disturbance of the area, an assessment of the option(s) was conducted so that some level of confidence in

the success of the proposed remediation actions could be acquired. Assessment was completed by means of predictive analysis which provided an assessment of the effectiveness of the selected cover in achieving compliance criteria. Preliminary conclusions of the analysis indicate that a reduction of metal loading to Buchans Creek to levels that comply with the federal *Fisheries Act*, MMLER and applicable provincial regulations is unlikely. The cover design would promote increased infiltration to shallow groundwater as compared to base case conditions and the eventual erosion of the cap.

It was recommended that further consideration be given to comparing Option 1 (excavating, transporting and disposing of the estimated 20,000 to 30,000 m³ of tailings spill material into the nearby Lucky Strike Glory Hole) to a refined conceptual design for the proposed cover. The cost of Option 1 could be less than the cost of a properly designed and constructed vegetated soil cover with a much higher chance of success and a much lower future care and maintenance cost. A benefit to Option 1 is that there is abundant scientific work and case histories documented in the literature regarding subaqueous disposal of tailings into open pits that would be beneficial for this option evaluation. Such case histories in the scientific literature for the cover option scenario under consideration are not readily apparent. At this time, a proposed Tailings Spill Work Plan is being developed to address the remediation of the Spill area including the options outlined above. Once a Spill Plan is finalized, it will be submitted to government.

Schedule

A Work Plan and schedule will be submitted as soon as finalized. It is anticipated that any modelling and existing data reviews will be completed prior to the 2006 field season so that remediation work can be initiated this year. If a preferred remediation option is identified, it is anticipated that construction could begin in August 2006.

3.2.3 Oriental Waste Dump

The Oriental Waste Dumps are located around the Oriental East and West Pits and typically consist of waste rock taken from the Oriental Pits to create greater access to the ore body during mining operations. Historic information suggests that the overburden and waste rock was piled separate and that the larger dumps near the Polishing Ponds contain waste rock material. Characterization and delineation of the materials in the waste dumps is necessary to determine if remediation is required and if so, its proper planning and implementation.

The information obtained from the 2005 delineation of the waste piles has been compiled in a report and has been used to direct additional sampling requirements associated with remediation and ecological risk assessment activities. The report is presented in Appendix B.

Ecological Risk Assessment

The ERA of the Oriental WRP seepage will consist of the following key activities.

- a. Identify Data Gaps and Problem Formulation - This activity involves the review of previous studies, with respect to adequacy of data for the purposes of conducting an ERA and identifying any existing data gaps, for which additional sampling may be required. Goals and assessment endpoints of the ERA will be established.

- b. Identification of Contaminants of Concern (COCs) - Screening of water quality parameters against CCME (FAL) guidelines to identify potential COCs and to screen out COCs which are not a cause for concern. Those parameters that exceed relevant guidelines will be carried forward as COCs.
- c. Screening Level ERA - This is the first step towards understanding the risks, if any, posed to ecological receptors at the site. The actual approach for the ERA will be developed in consultation with Abitibi and government. The ERA will utilize a combination of the following: existing sampling data; toxicological benchmark concentrations from literature; and, comparison of concentrations in effluent (no dilution and with dilution) to appropriate benchmark concentrations for both acute and chronic toxicity (likely fathead minnows, rainbow/brook trout) for each contaminant of concern (metals). An approach will be developed that will address factors such as seasonal changes in effluent quality, background concentrations, and dilution/mixing¹ in the receiving environment. Literature toxicity values will be evaluated against site-specific conditions where possible to reduce uncertainty. A hazard quotient approach will ultimately be used to characterize risk.
- d. Establish Monitoring Targets. Risk-based monitoring objectives will be set for each COC based on predicted toxicity at the site (using site-specific conditions where possible). The results of effluent toxicity tests will be considered, if sufficient and appropriate concentrations and replicates support their use in developing targets. Risk-based targets will be developed to assess potential effects on resident biota.

Schedule

The ERA can commence within two weeks upon approval to proceed and assuming no delays due to identified data gaps, a draft ERA report can be completed after a further six weeks. It is currently anticipated that the seepage and groundwater modelling will be required for the ERA and that their completion will be needed prior to completion of the ERA (see below).

Seepage Monitoring/Sampling Program

An additional two rounds of seepage sampling/monitoring samples will be conducted for the Oriental WRP, and MacLean/Rothermere mine sites at established locations along the toe of the waste piles and downstream near the receiving environment (Buchans Brook). The samples will be collected to coincide with the 2005 sampling schedule (mid-summer and fall).² Collected seepage samples will be submitted to a qualified analytical laboratory for analyses of general water quality parameters and dissolved plus total metals. In addition the following field measurements will be collected at the time of sampling: pH, conductivity, temperature and oxidation-reduction potential. Observable flows will be monitored and any visual characterization including sediment staining, suspended sediments and colour will be noted. The results of the seepage program will be compiled together with the 2005 results in a database that will be used together with

¹ A simple dilution model may be utilized to conservatively assess the level of mixing and dilution in the receiving environment.

² An additional sampling round is recommended for the spring (late April) of 2007. To date, there is (to date there is no seepage water quality data available for the spring freshet period). This could be important for the purpose of loading calculations.

the groundwater results (see below) to update metal loading results. For the Oriental WRP water quality sampling will also be conducted on a monthly basis at three specific locations that will likely serve eventually as points for monitoring the effectiveness of any future reclamation activities.

Schedule

Seepage monitoring rounds will be conducted in late July 2006, early November 2006. Monthly sampling can commence within two weeks of approval to proceed. A short report will be prepared in December 2006 that summarizes both the surface and groundwater metal loading results.

Groundwater Characterization Program

A groundwater monitoring network focused on the area along the southwestern margin of the Oriental WRP will be established in the area where loadings to the receiving environment have been identified. The program will consist of the following key activities:

- a. Borehole Drilling: A track-mounted drill rig will be mobilized to site and three boreholes will be advanced to shallow depths (<8 m) and two boreholes to deeper depths (approximately 20 m). Hollow stem augers will be advanced through overburden and HQ sized hole will be advanced through bedrock. The soil and bedrock conditions will be characterized from a hydrogeological perspective.
- b. Monitoring Well Installation: Installation of five monitoring wells, three at shallow depths (<8 m) and two at deeper depths (20 m) and well development to remove suspended solids and drilling fluids prior to testing and sampling. Monitoring of water levels and hydraulic testing to assess the horizontal and vertical groundwater flow regime.
- c. Groundwater Monitoring/Sampling: Conduct two groundwater sample events to assess water quality. The sampling rounds should occur at the same time as the seepage monitoring events (mid-summer and fall) and include the same schedule of analytes as for seepage sampling (with the exception of total metals).
- d. Oriental WRP Boreholes Drilling: In addition to the borehole drilling / monitoring well installation program described above, the drill rig will attempt to advance three boreholes in strategic areas within the footprint of the Oriental WRP footprint to assess groundwater mounding levels. Multilevel standpipes will be installed in each borehole to assess groundwater mounding and vertical hydraulic gradients. If possible, waste rock samples will be collected during the course of drilling to help assess acid rock and metal leaching potential at depth. It is possible that the drill rig mobilized to the site may not have sufficient capacity to drill through the waste rock material. If this is the case, a larger drill would need to be mobilized to the site at a later date and this portion of the program would be delayed.

Schedule

Groundwater Characterization could commence within two weeks of authorization to proceed, subject to drill availability. Activities a, b, and d would be completed in the field

over a period of approximately five to seven days. Activity c would be scheduled for mid-summer and fall and coincide with seepage sampling. A short report will be prepared in December 2006 that describes the groundwater regime down gradient and within the Oriental WRP and summarizes both the surface and groundwater metal loading results.

3.2.4 Other Potential Waste Dumps

Additional waste rock areas were identified and surveyed in 2005 as part of the waste rock characterization program (Appendix B). Additional seepage sampling will be conducted at the McLean and Rothermere mine sites similar to those for the Oriental pit waste pile (see Section 3.2.3).

Schedule

The delineation and characterization of additional waste dumps was conducted in 2005 in concert with the characterization of the Oriental Waste Dumps. Additional sampling of the waste piles has been suggested and will be implemented in 2006 as outlined:

- Additional seepage monitoring at the McLean and Rothermere mine sites – July 28 and November 3, 2006; and
- Reporting to be completed by December 18, 2006.

3.3 MONITORING PROGRAM

Monitoring of water quality will be continued in order to measure the level of compliance with respect to regulations. Sampling frequency outlined below does not include specific sampling programs outlined in the sections above.

3.3.1 Water Sampling Regime

Continued monitoring will be conducted at each of the following points: Tailings Pond 1, Tailings Pond 2, old mine drainage tunnel, oriental east pit (including drainage tunnel effluent and Valley Seeps), oriental east pit - final effluent (polishing pond outflow) and Buchans Brook (above old Buchans, at the Oriental bridge, below Hydro, above Middle Branch, below Middle Branch, above East Branch, below East Branch, at highway bridge) at the indicated frequency:

Flow rate	- monthly
pH	- monthly
Zinc	- monthly
Copper	- yearly
Lead	- yearly

Acute Lethality (Static 96 Hour LC50) will also be conducted annually on samples from Tailings Pond 1, Tailings Pond 2, outflow of Simms Brook, oriental east pit (including drainage tunnel effluent and Valley Seeps), oriental east pit – final effluent (polishing pond outflow) and Buchans Brook (above old Buchans, below Hydro, from within Middle Branch River, below Middle Branch River, below East Branch and at the highway bridge).

The monitoring program will be in place an additional year after it has been demonstrated that compliance or closure has been achieved.

3.3.2 Points of Control/Compliance

An evaluation of the options related to the points of control/compliance at each effluent discharge was taken into consideration in designing the Plan. The Plan has been designed to take advantage of all opportunities to reduce metal concentrations in effluents prior to final discharge into Buchans Brook.

Consolidate points of control

At this time, there are three points of control/compliance: the outflow of the Oriental Polishing Ponds and the outflow of each of the Tailings Ponds. It is not currently proposed that these effluents or points of control will be consolidated into a single point, however, a review of potential treatment options will be conducted and completed by the end of 2006 which may amend some points of control.

Continued Improvement

Monitoring of water quality at the determined points of control will continue to provide a reference point of the relative improvement and efficiency of remediation programs. Any additional actions will be documented and presented to the regulators prior to implementation.

It should also be noted that if further treatment and structures are placed and operating, the monitoring locations outlined above would be amended to include the new points of control.

3.4 SUMMARY OF 2006 SCHEDULE

Table 3.1 presents a summary of the proposed 2006 schedule for all action items outlined within the Plan. This schedule will be adhered to as closely as possible but may be modified based on construction conflicts and logistics. Any significant alterations will be quickly communicated to the regulators in monthly status reports.

4.0 SITE CLOSURE

It is expected that the Site will be considered closed, taken into account health and safety issues, when it is demonstrated that compliance with the objectives of the Plan have been met. Full closure will be completed when the monitoring can substantiate compliance with regulations.

It has been discussed that closure of separate points of control may be possible from an environmental perspective following review by provincial Department of Natural Resources (Mines and Energy). While every attempt at reaching compliance at all points of control will be conducted, compliance at any point of control will be a trigger to request release of that point from further monitoring and for closure consideration.

5.0 ACTION PLAN REPORTING

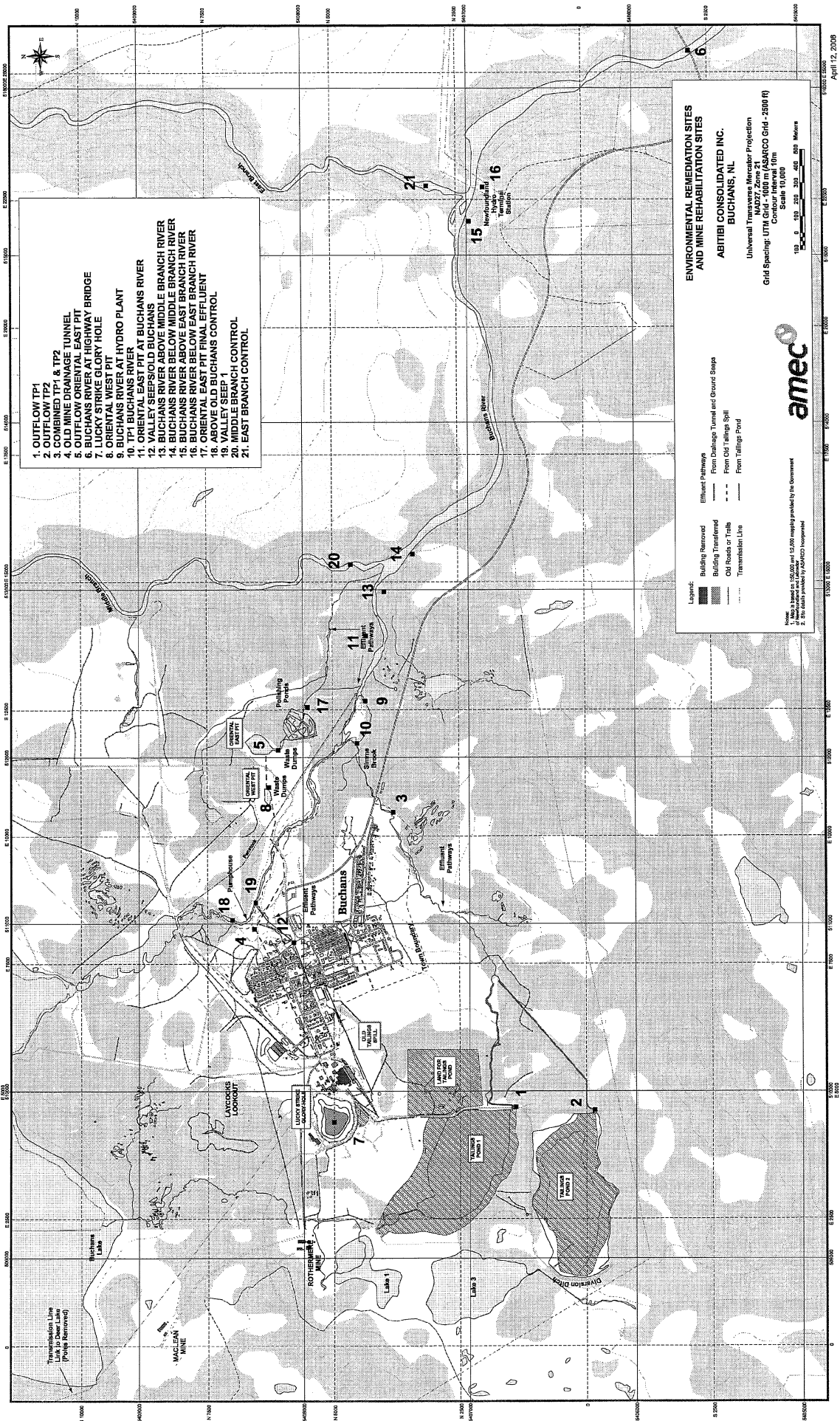
Quarterly reports on the Action Plan shall be submitted to Environment Canada and the Newfoundland Department of Environment and Conservation. The report for each calendar quarter will be due 30 days after the end of that quarter.

Additional reports may be submitted on results of Action Plan items outside the quarterly schedule if warranted by changes in schedule or methodology.

Table 3.1. Summary of Action Plan Schedule, 2006.

Month	Action Item	Task
Water Monitoring	January - March	All Locations (except Tailings Pond outflows)
	April - December	All Locations
Action Plan	June 9	Draft and discuss with Regulators
	July 7	Submit 2006 Action Plan
Waste Dumps	April	Submit 2005 Report to Regulators and discuss Recommendations (Remediation Plan)
	July 21	Risk Assessment - Data Gap Analysis
	July 30 & November 3	Additional Seepage Monitoring (Oriental, Rothermere, McLean)
	July 19-30	Groundwater Characterization (Oriental pile)
	December 18	Seepage and Groundwater Reports
	January 30, 2007	Submit Risk Assessment
	February 2007	Review Assessment with Governments
	May 2007	Begin Implementation of the Remediation Plan
Polishing Ponds	May - June	Clean remaining four pools CANMET research
	July - October	Clean remaining four pools (scheduled for completion July 15) CANMET research
Tailings Spill	May 25 - 26	Existing Data Review
	June 2- 5	Gather Baseline test pit and Glory Hole data
	July 6	Lab results completed
	July 26	Option One Assessment complete
	August 14	Government review of Options
	August 21	Complete Tailings Spill Remediation Plan
	August 21	Begin Tailings Spill Remediation Plan

APPENDIX A
Ongoing Mapping of Buchans Remediation



APPENDIX B

Waste Rock Characterization Report