STATE OF ALASKA

SEAN PARNELL, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND & WATER -- MINING SECTION

550 WEST 7TH AVENUE, SUITE 920
ANCHORAGE, ALASKA 99501-3514
PHONE: (907) 269-8621
FAX: (907) 269-8930

March 20, 2012

Sally McLeod, Environmental Superintendent
Sumitomo Metal Mining Pogo LLC
Via email @ Sally.McLeod@smmpogo.com

Re: Interim Approval of Financial Assurance Amount for Reclamation of Pogo Mine

Dear Ms. McLeod:

After the March 8th meeting in Fairbanks, you asked if Sumitomo Metal Mining Pogo could increase your financial assurance for the Pogo Mine prior to the completion of the public review process associated with the Pogo Mine Plan of Operations Amendment Approval for the expansion of the Dry Stack Tailings Facility.

While the agencies cannot grant final approval of the amount of the financial assurance until completion of the public review process, we can accept an increase in the financial assurance at this time. The Division of Mining, Land and Water has completed the review of the March 6, 2012 reclamation cost estimate for the Pogo Mine and accepts the estimated reclamation costs of $52.294M for the Pogo Mine.

The Division of Mining, Land & Water appreciates Sumitomo's commitment to the maintenance of a financial assurance that secures the reasonable and probable costs for the closure and reclamation of the Pogo Mine.

If you have any questions regarding this approval, please contact Steve McGroarty at (907) 451-2795.

Sincerely,

Joe Wehrman

Joe Wehrman
Acting Mining Section Chief

Cc:

Brent Martellaro, ADNR
Steve McGroarty, ADNR
Tim Pilon, ADEC
Chris Milles, ADNR
Chris Kennedy, Sumitomo
Cam Leonard, AGO
Stephanie Lovell, ADNR
Ellen Lyons, ACOE
Sharmon Stambaugh, OPMP
Bill Morris, ADF&G
Allan Nakanishi, ADEC