Final

Pogo Mine

Plan of Operations Amendment Approval

(F20129500)

DEPARTMENT OF NATURAL RESOURCES
Division of Mining, Land and Water

April 13, 2012

The Alaska Department of Natural Resources, Division of Mining, Land and Water (ADNR), in accordance with and subject to Alaska Statutes 27.19 (Reclamation) and 38.05 (Alaska Land Act) and the Alaska Administrative Code, Title 11 and Chapters 86.800 (Plan of Operations), 96 (Miscellaneous Land Use) and 97 (Mining Reclamation), approves the Plan of Operations Amendment for the Pogo Mine (F20129500) submitted by:

Sumitomo Metal Mining Pogo LLC
P.O. Box 145
Delta Junction, Alaska 99737

Throughout this document, unless otherwise specifically indicated, any reference to Sumitomo Metal Mining Pogo LLC, Sumitomo, Pogo or Permittee is considered a reference to Sumitomo Metal Mining Pogo LLC.

Throughout this document, unless otherwise specifically indicated, reference to the State, Department, ADNR, DNR or Division is considered a reference to the State of Alaska – Department of Natural Resources – Division of Mining, Land & Water.

Throughout this document, the Plan of Operations Amendment is considered to consist of the Request for Amendment (Rev2) to Plan of Operations F20129500 by Sumitomo Metal Mining Pogo LLC (Pogo) for Drystack Tailings Facility (DSTF) Expansion from 7.5 to 20 Million Tons (March 12, 2011) and the following Supporting Documents:

- Engineering Drawings for the Dry Stack Tailings Facility (DSTF) Expansion Construction, Pogo Mine, Alaska, USA;
- Dry Stack Tailings Facility (DSTF) Expansion Detailed Design – Pogo Mine, Alaska, USA;
- Technical Specifications for Pogo Dry Stack Tailings Facility Expansion – Revision 2;
- Pogo Mine Reclamation Cost Estimate Final 3-20-2012;
- 2012 Pogo Plan of Operations (March 2012);
    - Figure 1.3;
    - Figure 1.3a;
    - Figure 1.3b;
    - Figure 1.3d;
    - Figure 7.1;
- Appendix E – 2012 Pogo Reclamation and Closure Plan (March 2012);
    - Figure 2.3;
    - Figure 4.6;
    - Figure 4.7;
    - Figure 4.8;
    - Figure 4.9;
- Appendix F – 2012 Pogo DSTF Construction and Maintenance Plan (March 2012); and,
- Pogo_Mine_RCE_2012_Cost_Model_Rev_2_Final_20120320.xlsx

- Reference to any of these documents throughout this Plan of Operations Amendment Approval is considered to be a reference to the Plan of Operations Amendment. Likewise any and all stipulations associated with the approval of any of these individual plans are considered to be a requirement of the Plan of Operations Amendment Approval.

Effective dates of this Plan of Operations Approval are April 13, 2012 through February 6, 2017, unless sooner revoked for cause; however, Sumitomo Metal Mining Pogo LLC's obligations under the terms and conditions of this plan approval shall continue beyond the effective term of this plan approval, unless sooner terminated in accordance with the provisions of this plan approval, until completion of all requirements under and pursuant to the Plan of Operations Approval.

This Plan of Operations Amendment Approval is for activities upon State managed lands encompassed by the Pogo Mine Project Millsite Lease (ADL # 416949).

This Plan of Operations Amendment Approval does not constitute certification of any property right or land status claimed by the applicant.

The Plan of Operations Amendment was found to be complete and is approved by ADNR with the following conditions:

GENERAL STIPULATIONS

Final Pogo Mine Plan of Operations Approval (F20129500). Unless specifically modified by this Plan of Operations Amendment Approval, all requirements and stipulations contained in the Final Pogo Mine Plan of Operations Approval (F20129500) dated February 7, 2012, remain in full force and effect.

Financial Assurance. The total initial financial assurance amount of $52,294,000 has been approved for the Pogo Mine. In accordance with terms of Pogo's financial assurance and applicable regulations, the financial assurance shall not be released until affected areas have been reclaimed and are approved by the Authorized Officer and all other terms of this Plan of Operations Approval are met. Modifications to the Pogo Mine Plan of Operations and notification of Temporary or Permanent Closure may, at ADNR's discretion, require review and update of the amount and/or the form of the financial assurance. ADNR may require or allow revisions to the financial responsibility cost estimates based upon: (1) monitoring results at the Pogo Mine; (2) changes in costs for labor, equipment, fuel, or chemicals; and/or, (3) changes in the scope and nature of work required under the Pogo Reclamation and Closure Plan.

Terms of this Plan of Operations Amendment Approval. The Terms and Conditions contained within the Request for Amendment (Rev2) to Plan of Operations F20129500 by Sumitomo Metal Mining Pogo LLC (Pogo) for Drystack Tailings Facility (DSTF) Expansion from 7.5 to 20 Million Tons (March 12, 2011) and the following

Supporting Documents are hereby incorporated by reference as stipulations of this Plan of Operations Amendment Approval:

- Engineering Drawings for the Dry Stack Tailings Facility (DSTF) Expansion Construction, Pogo Mine, Alaska, USA;
- Dry Stack Tailings Facility (DSTF) Expansion Detailed Design – Pogo Mine, Alaska, USA;
- Technical Specifications for Pogo Dry Stack Tailings Facility Expansion – Revision 2;
- Pogo Mine Reclamation Cost Estimate Final 3-20-2012;
- 2012 Pogo Plan of Operations (March 2012);
    - Figure 1.3;
    - Figure 1.3a;
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    - Figure 1.3d;
    - Figure 7.1;
- Appendix E – 2012 Pogo Reclamation and Closure Plan (March 2012);
    - Figure 2.3;
    - Figure 4.6;
    - Figure 4.7;
    - Figure 4.8;
    - Figure 4.9;
- Appendix F – 2012 Pogo DSTF Construction and Maintenance Plan (March 2012); and,
- Pogo_Mine_RCE_2012_Cost_Model_Rev_2_Final_20120320.xlsx

Unless specifically revised, as part of the terms of this Plan of Operations Amendment, all terms of the Plan of Operations Approval (February 7, 2012) remain in full force and effect.

If there is a difference between the Plan of Operations Amendment as submitted and the terms contained within this Plan of Operations Amendment Approval, the terms contained within this Plan of Operations Amendment Approval take precedence. Changes to the documents incorporated herein must be approved by ADNR if they affect this Plan of Operations Approval. If ADNR approves the changes, they become terms of this Plan of Operations Approval.

PROJECT - SPECIFIC STIPULATIONS

POGO RECLAMATION AND CLOSURE PLAN:

1. Permittee shall complete a dry stack tailings facility closure study approved, by ADNR, to evaluate the hydrologic, geochemical and geotechnical characteristics of the facility and proposed cover design. The study should model impacts to post-closure down-gradient water quality.

Pogo shall submit a draft Study Plan to ADNR within 90 days from the effective date of this Plan of Operations Amendment. ADNR will provide comments, if any, to Pogo within 30 days of receipt of the draft Study Plan. Pogo shall incorporate ADNR's comments, if any, and complete the study. A report of the DSTF study should be submitted to ADNR by the end of 2013.

POGO DSTF CONSTRUCTION AND MAINTENANCE PLAN:

1. Table 1 (Material Placement Schedule at the DSTF) and the "year-by-year" drawing in Appendix C shall be updated to reflect a twelve-month per year construction schedule and shall be provided along with the 2012 Pogo Mine Annual Report, unless otherwise approved by ADNR.

2. Vegetation clearing associated with the construction of the new diversion ditches should be timed to avoid disturbing nesting migratory birds (May 1 through July 15) if practicable.

Commencement of permitted activities will be considered an acceptance by Sumitomo Metal Mining Pogo LLC of these stipulations.

Approved: Joseph F. Wehrman — April 13, 2012

Joe Wehrman
Acting Mining Section Chief
Department of Natural Resources

Date

Appeal Right and Procedure

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 days of the date of issuance and may be mailed or delivered to Daniel S. Sullivan, Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st day after the date of issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.