



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF MINING, LAND & WATER
Mining Section

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December 7, 2016

Christopher Wallace
Environmental Manager
Hecla Greens Creek Mining Company
P.O. Box 32119
Juneau, Alaska 99803-2119

Reclamation Plan Approval Amendment J20142682.2

Dear Mr. Wallace,

On July 15, 2016 representatives from the Hecla Greens Creek Mining Company (Hecla) met with representatives from the Alaska Department of Environmental Conservation (ADEC) and the Alaska Department of Natural Resources (ADNR) to discuss the Reclamation Bond (bond) amount for the Greens Creek Mine. The current bond, in the amount of \$68,918,907 U.S. was approved on August 14, 2014 and covers both short-term reclamation goals, and long-term water treatment.

During the July 15 meeting, Hecla explained that a mistake had been made while calculating the bond amount. The current Reclamation Cost Estimate includes the amount of money required to haul 805,505 cubic yards of waste rock from Site 23 to the Tailings Disposal Facility. However, the Estimate does not include approximately 306,946 cubic yards of waste rock that will be hauled from the Mine to Site 23 during the 5 year permit cycle.

Hecla recalculated the bond amount to include hauling the additional volume of waste rock, which results in an increase of \$3,912,280. This amount includes \$2,586,350 in direct costs, \$1,066,869 in indirect costs, and \$259,061 to account for inflation for the three years left in the permit cycle.

The Alaska Department of Natural Resources hereby approves an Amendment to the Reclamation and Closure Plan dated June 2014 to include an additional \$3,912,280 in reclamation bonding. The total bonded amount for the Greens Creek Mine shall now be \$72,831,187 U.S. The ADNR Mining Section requests that the information contained in this amendment be incorporated into the Reclamation and Closure Plan during the next scheduled update. Documentation that the updated total financial assurance has been acquired must be received by ADNR no later than 60 days after this approval is signed, unless otherwise approved in advance by the Authorized Officer.

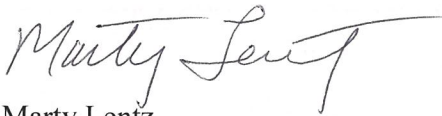
The ADNR Mining Section has consulted with the ADNR OPMP, ADEC, and the United States Forest Service. This Approval does not eliminate the potential need for authorizations from other Federal, State or Local divisions or agencies.

This approval is intended to be an Amendment to the current Reclamation Plan Approval for the duration of the permit cycle. The effective dates of this approval are December 7, 2016 through August 10, 2019.

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the 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. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after 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.

If you have any questions regarding this approval, please contact David Wilfong at 907-465-3404.

Sincerely,



Marty Lentz
Mining Section Chief

cc via email: Brent Martellaro, ADNR
Christopher Wallace, HGCMC
David Wilfong, ADNR
Kyle Moselle, ADNR
Matthew Reece, USFS
Sarah Shoemaker, USFS
Will Collingwood, ADEC