

# **Greens Creek Mine**

## **Reclamation Plan Approval**

**J20142682**



**Alaska Department of Natural Resources**

**Division of Mining, Land and Water**

**June 20, 2014**

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, 11 AAC 97 (Mining Reclamation), approves the Reclamation Plan for the Greens Creek Mine submitted by:

Hecla Greens Creek Mining Company  
PO Box 32199  
Juneau, Alaska 99803-2199

Throughout this document, the Reclamation Plan is considered to consist of the *Reclamation and Closure Plan GPO 14 April 2014*, and the associated *Appendix B - Basis of Cost Estimate*. The Reclamation Plan applies to privately owned land and land managed by the United States Forest Service as well as State of Alaska owned land. Throughout this document, reference to the Cost Estimate is considered to be a reference to the Standardized Reclamation Cost Estimator (SRCE) Version 1.4.1 prepared for the Hecla Greens Creek Mining Company and dated April 2014. Throughout this document, the bond refers to the financial instrument submitted by Hecla Greens Creek Mining Company that is acceptable to the State of Alaska in the amount of sixty five million three hundred ninety two thousand three hundred forty seven U.S. dollars (\$65,392,347 U.S.).

This Approval applies to any and all of the above documents. Likewise any stipulations listed in this approval are to be considered a requirement of the Reclamation Plan Approval.

Throughout this document, reference to the Forest Service is considered to be a reference to the Department of Agriculture – United States Forest Service, Tongass National Forest Minerals Group. Throughout this document, reference to the State is considered to be a reference to the Alaska Department of Natural Resources – Division of Mining, Land and Water. Reference to the agencies is considered to be a reference to the ADNR and/or Forest Service. Throughout this document, reference to Hecla, HGCMC or Permittee is considered to be a reference to the Hecla Greens Creek Mining Company.

The effective dates of this Plan Approval are **June 20**, 2014 through **June 20**, 2019 unless sooner revoked; however, Hecla Greens Creek Mining Company's (HGCMC) obligations under the terms and conditions of this Plan Approval shall continue, unless sooner terminated in accordance with the provisions of this Plan Approval, or until completion of all requirements under and pursuant to the approved Reclamation Plan.

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

Alaska Statute AS 27.19.030(b) and Alaska Administrative Code 11 AAC 97.310(b)(6) & (7) allow the owner of private land to reclaim the land to “an alternate post-mining land use”. On private property, the owner may propose an alternate post-mining land use that can include trails and commercial uses. The Hawk Inlet facilities located on private property will be reclaimed

with the exception of the historic Cannery Buildings. The private property within the Land Exchange boundary will ultimately revert to Forest Service management and be reclaimed. The transmission lines that supply power to the mine are not the responsibility of HGCMC.

## **The Reclamation Plan is hereby approved by ADNR with the following conditions:**

### **General Stipulations**

**Financial Assurance.** This Reclamation Plan Approval does not take effect until HGCMC submits a financial assurance mechanism in a form and substance approved by ADNR and the Forest Service. The financial assurance or portion thereof shall not be released according to 11AAC97.435 until disturbed areas have been reclaimed and a written approval provided by the ADNR Authorized Officer and the Forest Service and other applicable terms of this Reclamation Plan Approval are met. ADNR may, at its discretion, review the Reclamation Plan and bond for adequate coverage. The total financial assurance of **\$65,392,347** has been accepted for the Greens Creek Mine. Documentation that the total financial assurance has been acquired must be received by ADNR no later than 30 days after this approval is signed, unless otherwise approved in advance by the Authorized Officer.

**Terms of this Plan Approval.** The Terms and Conditions contained within the 2014 Reclamation Plan and Basis of Cost Estimate are hereby incorporated by reference as stipulations of this Plan Approval. Any changes to the documents contained herein must be approved by ADNR. If approved, the changes become terms of this Reclamation Plan Approval. If there is a discrepancy between the Reclamation Plan as submitted and the terms contained within this Plan Approval, the terms contained within this Plan Approval take precedence.

**The Authorized Officer** for ADNR is the Director of the Division of Mining, Land and Water or his or her designee. The designated Authorized Officer is the Mining Section Chief of the ADNR Division of Mining, Land and Water, currently Scott Pexton, and may be contacted at 550 West 7<sup>th</sup> Avenue, Suite 900D, Anchorage, Alaska 99501-2577, Attention: Scott Pexton, telephone (907) 269-8621, and fax (907) 269-8930 or at [scott.pexton@alaska.gov](mailto:scott.pexton@alaska.gov). Hecla Greens Creek Mining Company will be notified of changes to the authorized officer or contact information as needed.

**Monitoring Plan.** All State and Federally required monitoring results obtained during a reporting period shall be summarized and reported to the Authorized Officer quarterly, on or before the 15<sup>th</sup> day of the month following the quarter, in an electronic format acceptable to ADNR. Electronic copies shall also be sent to the ADNR Southeast Regional Office Mining Section (David Wilfong at [david.wilfong@alaska.gov](mailto:david.wilfong@alaska.gov)). Amendments to this distribution list will be provided to HGCMC as needed.

**Temporary Closure.** HGCMC shall notify ADNR in writing of any planned Temporary Closure expected to last 90 days or longer at least 30 days prior to the cessation of operations. The Permittee shall notify the Authorized Officer of any unanticipated Temporary Closure expected to last 90 days or more within 10 days of the first day of the Temporary Closure. The notice shall state the nature and the reason for the Temporary Closure, the anticipated duration of the Temporary Closure, what actions will be taken to maintain compliance with project permits and plan approvals, and any event which would reasonably be anticipated to result in the resumption of mining or the permanent cessation of mining. Mining operations must resume for not less than 90 consecutive days in order to terminate the running of the Temporary Closure. If the Temporary Closure extends beyond three years, the Department may deem mining operations to be permanently abandoned or ceased, and whereupon final reclamation must commence unless otherwise agreed by the Department.

HGCMC shall ensure that the project area and facilities are maintained in a safe condition during a Temporary Closure, and the Permittee shall not allow the project area to be degraded/eroded or the facilities to fall into a state of disrepair during or as a result of the Temporary Closure. Action shall be taken to prevent or mitigate any impacts to the ground or surface waters from project facilities. All collection, treatment, maintenance and monitoring activities required by project permits shall continue to be performed during a Temporary Closure. The Permittee shall not allow the mine workings to become flooded, and shall continue to pump and treat all water that infiltrates into the underground workings.

During a Temporary Closure, if it is deemed that mining operations will not continue, the Permittee shall notify the Authorized Officer of the permanent closure of the facility within 30 days of the decision, and provide a schedule for the final reclamation of the site.

**Permanent Closure.** For purposes of determining monitoring requirements and bond release, closure of a facility is achieved when the applicable surface and ground water quality standards have been met, and the site has been reclaimed in accordance with the Reclamation Plan.

**Erosion Standard.** Erosion features which form in areas that have been recontoured and covered with topsoil must be stabilized if they affect the long-term stability of the reclaimed area or may result in additional erosion or sedimentation. Actions to stabilize erosion features shall be conducted in a manner that minimizes disturbance to adjacent areas. Subsequent inspections shall be completed to verify that rills and gullies do not persist. If chronic or long-term erosion features are identified, the cause of the reoccurring erosion shall be identified and remediated.

**Alaska Historic Preservation Act.** If burials or human remains are discovered as a result of or during the activities authorized by this Reclamation Plan Approval, all activities that would disturb such remains shall be stopped and measures taken to protect the site. The State Historic Preservation Officer (907-269-8722) and the State Troopers shall be contacted immediately so that compliance with state laws may begin.

**Maps.** On or before April 15, HGCMC shall submit to ADNR (David Wilfong) annual maps illustrating the current development of all project facilities. These maps shall show cleared and grubbed areas; growth medium stockpiles; roads; temporary potentially acid generating rock storage sites; material site development; and facility construction. Detailed maps of development

rock (wasterock) stockpiles complete with typical cross sections showing the natural slope of the underlying land, and the angle of repose of the pile shall be included at a scale of 1"-25'. Other maps shall be submitted both in a digital format and hard copy at 1"-500' or other appropriate scale necessary to review the development of individual facilities.

**Inspection and Entry.** HGCMC shall permit authorized representatives of ADNR to enter into and upon the area and facilities covered under this Plan Approval at all reasonable times without notice for the purpose of inspecting the area and activities covered under this Plan Approval. Said inspections shall be subject to such safety and security procedures as Hecla may from time to time adopt.

At any time upon ADNR's written request, HGCMC shall promptly make any and all records, documents, or other information required to be kept or maintained by law, regulation, ordinance or this plan approval available to ADNR for inspection and copying as reasonably required by ADNR to determine if HGCMC is in compliance with local, state and federal laws applicable to the operations authorized under this Plan Approval.

**Environmental Audit.** A periodic third-party environmental audit shall be conducted with the first audit to be completed in 2018, or sooner if final closure occurs prior to 2018. This audit will include all aspects of the Approved Reclamation Plan, including access roads, material sites, waste rock storage facilities, and the tailings storage facility. The environmental audit is required to verify HGCMC's compliance with applicable environmental laws and regulations and with this Plan Approval and associated permits. The third-party contractor should be mutually agreed on by the State and HGCMC, but in the event that agreement cannot be reached, the State retains the final contractor selection decision. Costs for the third-party environmental audit shall be borne by HGCMC. The environmental audit shall include an evaluation of the adequacy of the reclamation financial sureties. The audit shall also include an evaluation of the need for, and duration of, any active water treatment for the tailings storage facility, former wasterock sites, underground workings, and other disturbances at the completion of mining and milling operations.

**Violations.** This authorization is revocable immediately upon violation of any of its terms, conditions, stipulations, or upon failure to comply with any other applicable laws, statutes and regulations (Federal and State). Upon revocation, ADNR may at its discretion, forfeit the reclamation financial assurance bond.

**Assignment.** This Plan Approval may be transferred or assigned with prior written approval from ADNR. ADNR will only disapprove a transfer with good cause and will evaluate whether the proposed assignee (1) is qualified to acquire all other permits and authorizations necessary to conduct operations under the plan; (2) is on notice of default or subject to an enforcement action by any state agency on any lease, reclamation bond, or other permit. Any assignee must commit in writing to be bound by this Plan Approval to the same extent as HGCMC, and must provide to ADNR all proofs of bonds, or undertakings required by this plan approval. Transfer of this plan approval may, at ADNR's discretion, require bond review and update.

**Other Authorizations.** The issuance of this authorization does not alleviate the necessity of HGCMC to obtain authorizations required by other agencies for this activity.

**Change of Address.** Any change of address must be submitted in writing to the Authorized Officer.

**Modifications.** Any request for modification of the Reclamation Plan and any other affected permits or authorizations must be made by written application to ADNR. Amendments to the Reclamation Plan may, at the discretion of ADNR, require bond review and update.

**Statutes and Regulations.** This Plan Approval is subject to Alaska Statute 27.19, 11 AAC 97, and all applicable state and federal statutes, including state, federal, and any local statutes and ordinances in effect on the effective date of this Plan Approval. This Plan Approval is subject to new statutes, regulations, and ordinances enacted or promulgated after said effective date, and changes to existing statutes and regulations made after the effective date, to the extent constitutionally permissible.

**Severability.** If any clause or provision herein contained shall be adjudicated to be invalid, it shall not affect the validity or effect of any other clause or provision of this plan approval, nor constitute any cause of action in favor of either HGCMC or ADNR as against the other.

**Save Harmless.** The recipient of this Reclamation Plan Approval shall indemnify, save harmless, and defend the ADNR, its agents and its employees from any and all claims, actions or liabilities for injuries or damages sustained by any person or property arising directly or indirectly from approved activities or HGCMC Incorporated's performance under this Reclamation Plan Approval. However, this provision has no effect, if, and only if, the sole proximate cause of injury is the ADNR's negligence.

**Commencement of approved activities will be considered an acceptance by HGCMC of these conditions for this Reclamation Plan Approval.**

Approved: \_\_\_\_\_ Date: \_\_\_\_\_

Scott Pexton, Mining Section Chief

June 20, 2014

Alaska Department of Natural Resources

### **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 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](mailto: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.