



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

DIVISION OF MINING, LAND & WATER

Mining Section

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Response to Comments on the Department of Natural Resources

Draft Reclamation Plan Approval J20252711RPA,

For the

Niblack Reclamation and Closure Plan

Niblack Project LLC

October 22, 2025

Introduction

Notice to the Public Start: June 30, 2025

Notice to the Public End: July 30, 2025

The Niblack Project is a copper-gold-zinc-silver prospect in the exploration stage. The surface disturbance, current and proposed, in the Niblack Reclamation and Closure Plan (June 6, 2025) is on private lands. Under the Reclamation Plan subject to this public notice, the principal purpose of this 2025 Reclamation and Closure Plan Post-Construction Update is to identify and describe the required reclamation tasks that are to be completed, either concurrently with, or at the cessation of the exploration activities and their associated costs. Reclamation activities which do not deviate from prior approvals include:

- 1) Potentially Acid Generating (PAG) waste rock relocation and site reclamation,
- 2) adit plug and portal entrance reclamation,
- 3) Non Acid Generating (NAG) waste rock storage area reclamation,
- 4) reclamation and closure of the settling ponds and water treatment systems,
- 5) reclaiming stormwater management areas,
- 6) post-closure monitoring and maintenance of the site.

The overall program is directed at further evaluation of the Niblack Project. The long-term project objective is to continue evaluating the technical and economic viability of developing an underground mine.

The Alaska Department of Natural Resources (DNR) draft Reclamation Plan Approval (RPA) No. J20252711RPA stipulates the requirements for reclaiming the proposed disturbance on private lands in accordance with AS 27.19 and 11 AAC 97 and outlines the costs associated with conducting these reclamation activities by a third-party contractor to meet the State's financial assurance.

This document addresses the substantive comments received concerning the requirements of DNR's draft RPA and the State's responses to those comments. This document does not address comments outside the scope and beyond the regulatory authority of this approval. Changes made to the draft DNR approval resulting from comments received during the public notice period are reflected in the final approval documents. Minor changes made to the approval for correcting typographical and grammatical errors, formatting or clarifying information are not detailed in this document.

Opportunities for Public Participation:

To ensure public and agency opportunities for participation, the DNR:

- Published a Notice to the Public and Request for Information with associated documents to the State of Alaska Online Public Notice site from June 30, 2025, through July 30, 2025.
- Webpage (DNR, DMLW, Mining Section, Large Mine Projects) for the Niblack Project shared the information for the public notice in the News section beginning June 30, 2025.

Comment Overview:

The State received a total of 135 comments prior to the deadline. 130 comments were submitted through third-party form emails. The State received unique comments from Mr. Tyler Breen on behalf of Southeast Alaska Conservation Council and from Mr. Aaron Brakel with a list of concerns and approval-specific comments. Substantive concerns are concentrated under four major topics: PAG pile and associated acid rock drainage (ARD), reclamation, financial assurance, and closure. Outlined below are paraphrased comments in opposition to DNR's proposed RPA and the State's responses to those comments. Due to the number of comments received that were identical or similar in scope, DNR has consolidated its responses to address the underlying concerns of each.

Comment Topic: PAG Pile and ARD

PAG Storage

Mismanagement of PAG waste rock on the surface has led to acidic, metal-laden drainage that poses a direct threat to groundwater and surface water quality. The PAG pile has allowed the rock to begin acid generation and additional treatment of the PAG rock with lime or otherwise may be needed. The PAG storage site was designed for a larger volume of PAG rock than it holds. No new PAG material should be deposited on the liner until the current acid-generating PAG rock is fully reclaimed and returned underground.

DMLW Response:

Monitoring and reporting are required under the DNR RPA. Upon closure, DNR will enforce the requirements outlined under 11 AAC 97.240 to require that the site is reclaimed in a manner that prevents acid generation or prevents the offsite discharge of acid drainage. Niblack proposes to have the site reclaimed upon cessation of all exploration activities.

ARD Discharge

Niblack failed to construct and maintain an impervious cover on the PAG pile and prevent offsite discharge of acid rock drainage in violation of the original environmental permits and its responsibility to reclaim a mined area in a manner that prevents the generation of acid rock drainage or prevents the offsite discharge of acid rock drainage. This includes marine discharge which represents a failure to contain pollutants on land that now requires a larger mixing zone.

DMLW Response:

Onsite changing conditions required the company to request amendments to their plans, which were granted. Upon closure, DNR will enforce the requirements outlined under 11 AAC 97.240 to require that the site is reclaimed in a manner that prevents acid generation or prevents the offsite discharge of acid drainage. Niblack proposes to have the site reclaimed upon cessation of all exploration activities.

Portal Plug and ARD Monitoring

The final RPA issued by DNR should include a trigger action plan: e.g., if monitoring detects drainage seeping around the portal plug or rising contaminants outside. The operator must implement additional measures to relieve pressure or implement a water treatment system as part of their closure plan. This would include a requirement before approval for immediate interim measures to stop ongoing ARD or an evaluation for what degree grouting underground, and at the concrete plug, should be required to minimize the chance that water from the PAG rock would escape the final reclamation containment.

DMLW Response:

The company has provided a reclamation plan that meets the requirements under 11 AAC 97.310. Monitoring and reporting are required under the DNR RPA and the Department of Environmental Conservation Waste Management Plan (DEC WMP). The company may amend the plan if conditions change on site. Upon closure, DNR will enforce the reclamation performance standards including those outlined in 11 AAC 97.220 and 11 AAC 97.240. Niblack proposes to have the site reclaimed upon cessation of all exploration activities

Comment Topic: Reclamation

PAG Backfilling

PAG material should have been promptly backfilled or properly stored per the original design to minimize acid generation. Methodologies and calculations for assessing alkaline material or buffering agents that will be added with the backfill to neutralize existing acidity should be discussed in the reclamation plan submission. DNR and DEC must require full backfilling of PAG rock into the underground workings and seal it with a concrete bulkhead below the water table to mitigate impacts to waters and communities. The acid-generating waste rock and associated leachate now require immediate management.

DMLW Response:

The company has provided a reclamation plan that meets the requirements under 11 AAC 97.310. Monitoring and reporting are required under the DNR RPA and the DEC WMP. The company may amend the plan if conditions change on site. Upon closure, DNR will enforce the reclamation performance standards. Niblack proposes to have the site reclaimed upon cessation of all exploration activities

Adit Plug Design

Final agency approval must hinge on detailed plug design, location, surrounding ground conditioning, and a specific date for these reclamation processes. Prior to installation, a submission of a final engineered adit plug design with a clear contingency plan if the plug and underground storage do not perform as expected should be an explicit condition before approval.

DMLW Response:

The company has provided a reclamation plan that meets the requirements under 11 AAC 97.310 and specifically addresses requirements for adit closure in their plan. Monitoring and reporting are required under the DNR RPA and the DEC WMP. The company may amend the plan if conditions change on site. Upon closure, DNR will enforce the reclamation performance standards. Niblack proposes to have the site reclaimed upon cessation of all exploration activities

Concurrent Reclamation

The Department requires concurrent reclamation during this permit cycle, such as covering the PAG stockpile immediately. This includes reclamation of any drill pads, surface exploration sites, and sumps. Additionally, all drill holes should be plugged and any fuel or debris removed to ensure no outstanding environmental liabilities for those activities.

DMLW Response:

Reclamation shall be conducted as ‘contemporaneously as practicable’ as outlined under AS 27.19.020. The company has provided a reclamation plan that meets the requirements under AS 27.19.020 and 11 AAC 97.310. The company may amend the plan if conditions change on site. Upon closure, DNR will enforce the reclamation performance standards. Niblack proposes to have the site reclaimed upon cessation of all exploration activities

Comment Topic: Financial Assurance

Long Term FA

Financial assurance should be held for a long-term water treatment contingency and that DEC not automatically terminate the APDES permit or water quality responsibilities immediately upon closure. A reasonable period of post-closure permit coverage should remain, during which time the company is obligated to treat any unexpected discharge.

DMLW Response:

Financial assurance will be held until the project reclamation tasks have been completed and the site meets the reclamation performance standards as outlined in 11AAC 97.200 through 11 AAC 97.250. Alaska statutes require financial assurance to be based upon “reasonable and probable” estimates of reclamation costs. It is the duty of the Department to determine the required reclamation bond using the guiding principle of a “reasonable and probable” analysis. The Department maintains that the financial assurance is adequate to fund any reclamation costs that can reasonably be anticipated.

Bonding Requirements

DNR should require that the financial assurance is based upon a new updated engineering assessment that takes into account how long the project has been lying fallow under temporary closure.

DMLW Response:

Financial assurance will be held until the project reclamation tasks have been completed. Alaska statutes require financial assurance to be based upon “reasonable and probable” estimates of reclamation costs. It is the duty of the Department to determine the required reclamation bond using the guiding principle of a “reasonable and probable” analysis. The Department maintains that the financial assurance is adequate to fund any reclamation costs that can reasonably be anticipated.

Reassessment of the FA Amount

The financial assurance amount appears to reflect updated cost assumptions and inflation adjustments; however, we are concerned that it may not fully account for site-specific risks. Particularly the potential need for underground rehabilitation. It is recommended that the bond be explicitly tied to an updated engineering assessment of current conditions. This includes actual closure costs, which could exceed the available bond leaving the state liable in the event of default or bankruptcy, especially since the project’s history has had multiple ownership transfers.

DMLW Response:

DNR has received and reviewed a copy of the cost estimate from Niblack Project LLC and has determined that the costs included in this cost estimate sufficiently account for the reclamation activities to be completed by a third party. Adit plug, engineering design, and contingencies are addressed in the cost estimate. DNR reviews changes to the plan and cost estimate with each amendment, renewal, or change of project ownership. Alaska statutes require financial assurance to be based upon “reasonable and probable” estimates of reclamation costs. It is the duty of the Department to determine the required reclamation bond using the guiding principle of a “reasonable and probable” analysis. Financial assurance will be held until the project reclamation tasks have been completed. The Department maintains that the financial assurance is adequate to fund any reclamation costs that can reasonably be anticipated.

Comment Topic: Closure

Delay of Reclamation

The Niblack project’s period of dormancy represents a de facto cessation of operations, even if it was never officially labeled as such. During those years, the site was on care and maintenance as it was held in limbo; however, Alaska’s mining reclamation framework require reclamation “in a manner that prevents the generation of acid rock drainage or prevents the offsite discharge of acid rock drainage.” Renewed exploration must not be used as a pretext to further delay necessary reclamation. DNR should set a firm expectation that this current permit term is the last cycle for exploration activity.

DMLW Response:

The company has acted in good faith to reopen the project. Our standard condition in the RPA still applies. As long as the project proponent demonstrates actions to reopen the site, they meet the requirements for this condition.

Final Closure and Reclamation Deadline

The continued designation of the site as in “temporary closure” has deferred meaningful action for so long that the original mitigative purpose of the reclamation plan is now effectively defunct requiring immediate attention. The site has been sitting in temporary closure for over a decade. If a temporary closure extends beyond three years, it is understood that DNR may deem exploration to be permanently abandoned. This situation may require that final reclamation must commence, or DNR should set a firm date for the Niblack site to enter final closure and reclamation.

DMLW Response:

The company has provided a reclamation plan that meets the requirements under 11 AAC 97.310 and has acted in good faith to reopen the project. Our standard condition in the RPA still applies. As long as the project proponent demonstrates actions to reopen the site, they meet the requirements for this condition. The company may amend the plan if conditions change on site. Upon closure, DNR will enforce the reclamation performance standards. Niblack proposes to have the site reclaimed upon cessation of all exploration activities.