

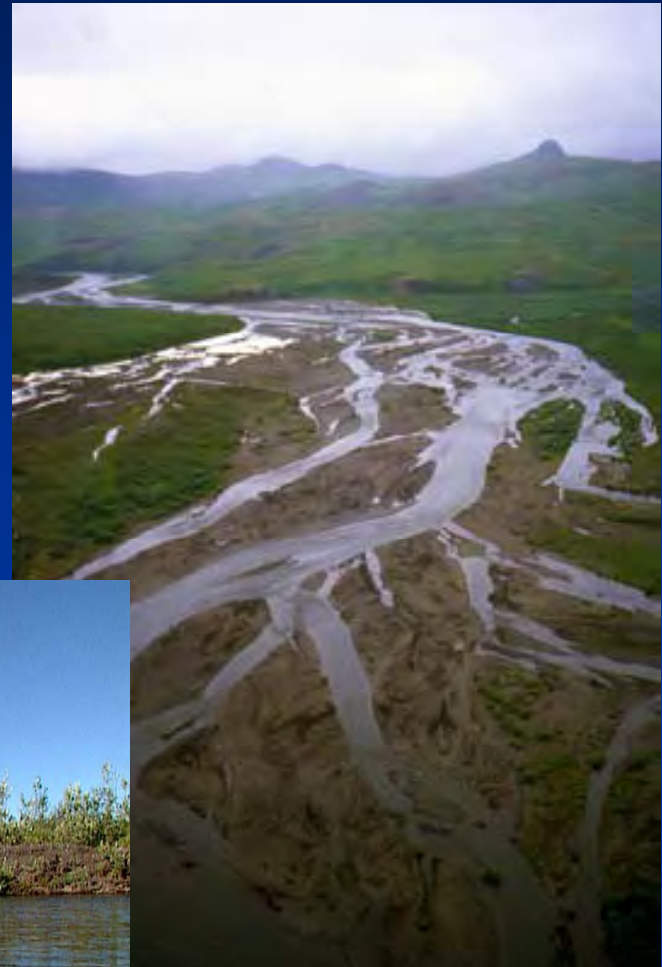
Closure and Reclamation Plan

- Objectives
- Plans for
 - Mine area
 - Tailings
 - Water management
- Schedule
- Cost estimates

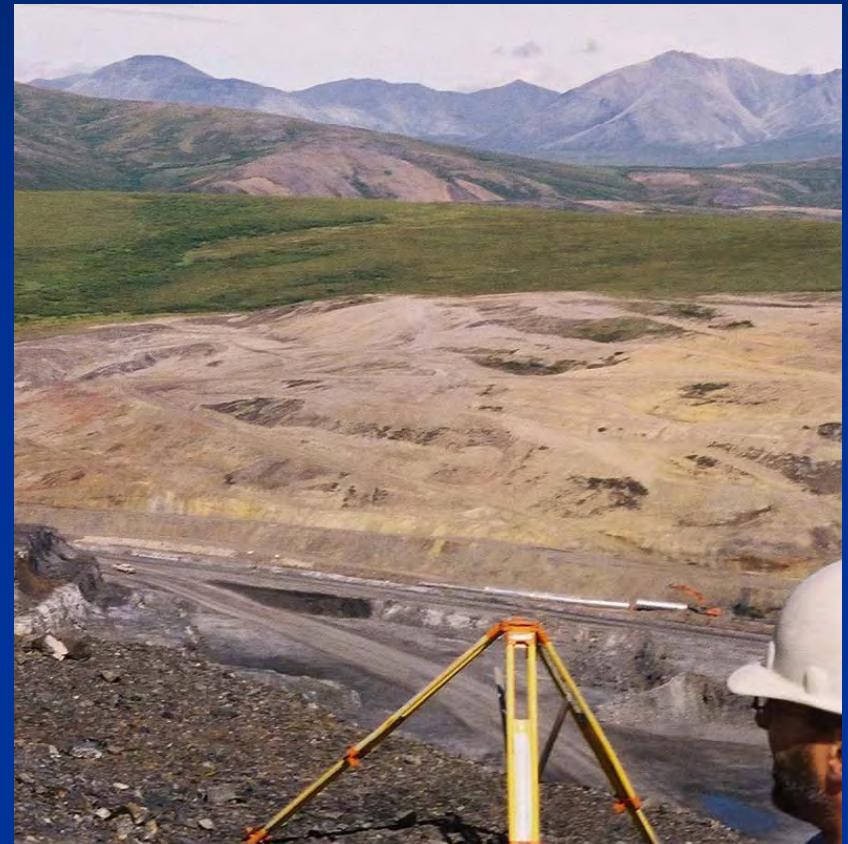
Physical & Chemical Stability



Water Quality



Technical Certainty



Subsistence Uses



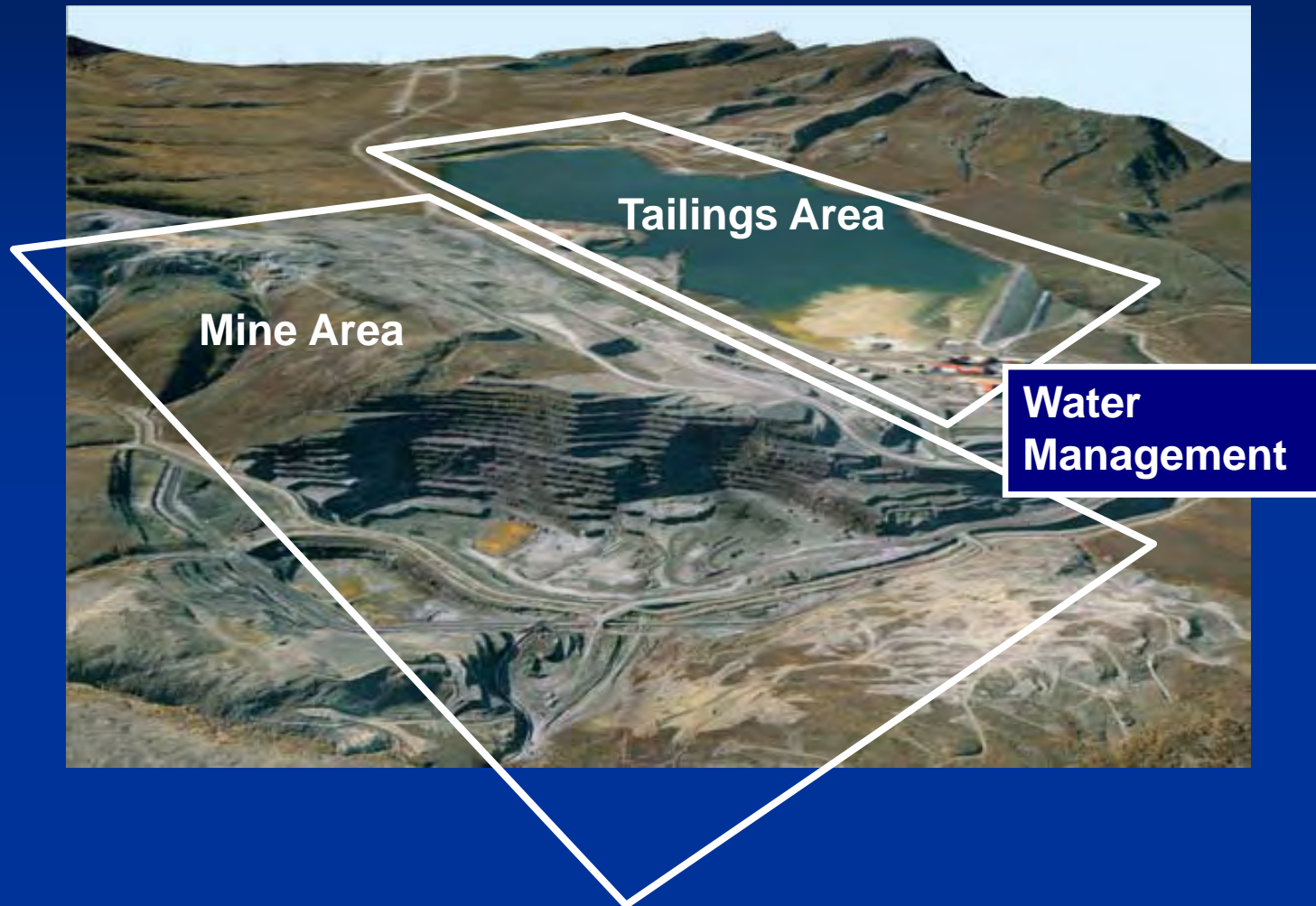
Local & Regional Health



Local & Regional Benefits



Selected Options



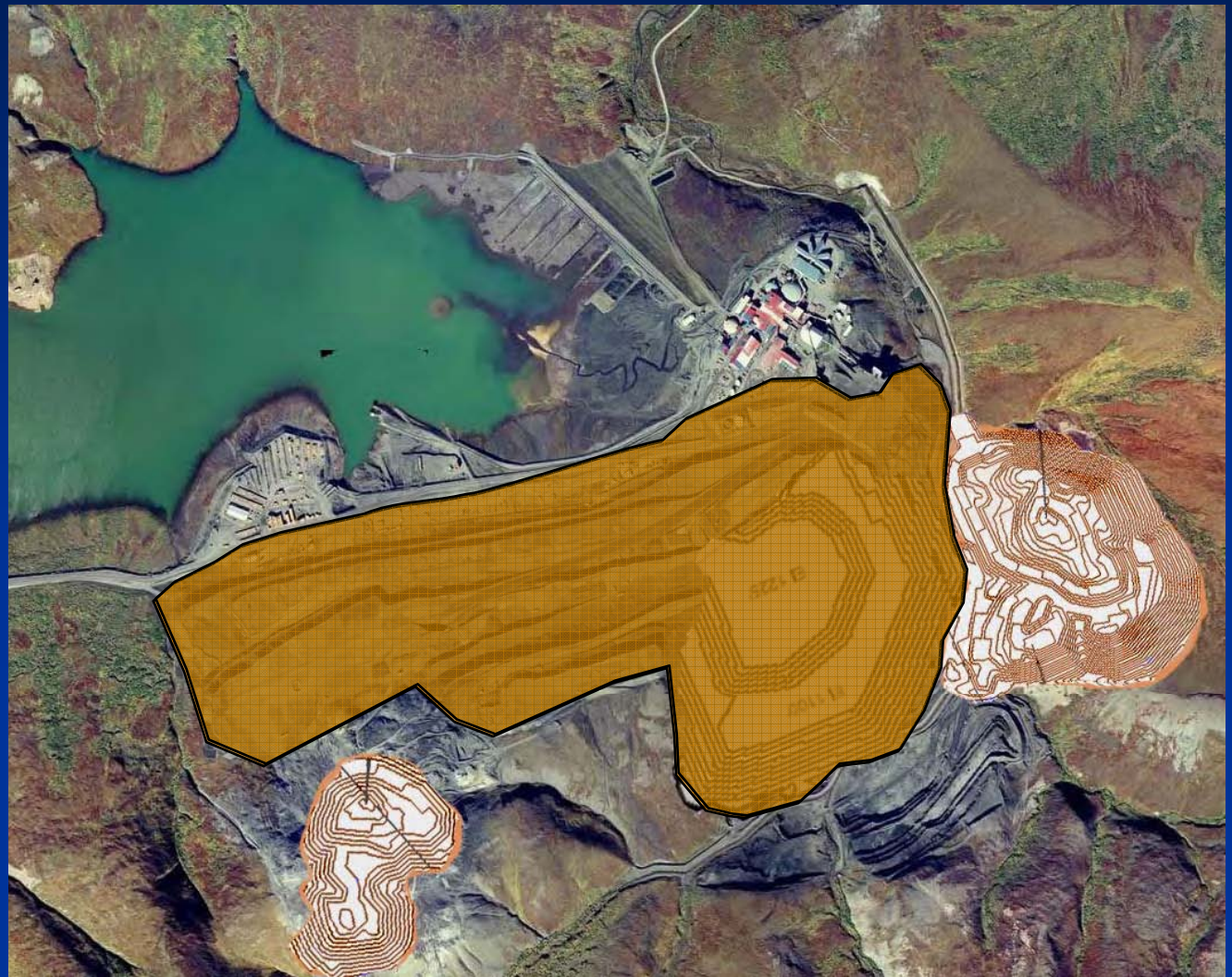
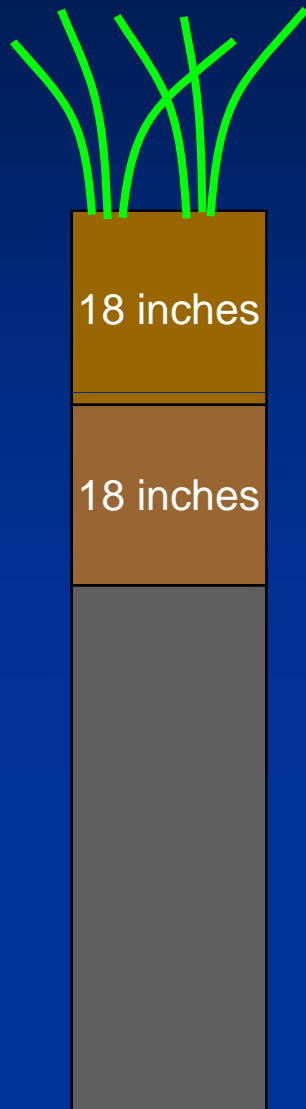
Mine Area Option 3 Complex Soil Cover



Waste Rock Re-Sloping

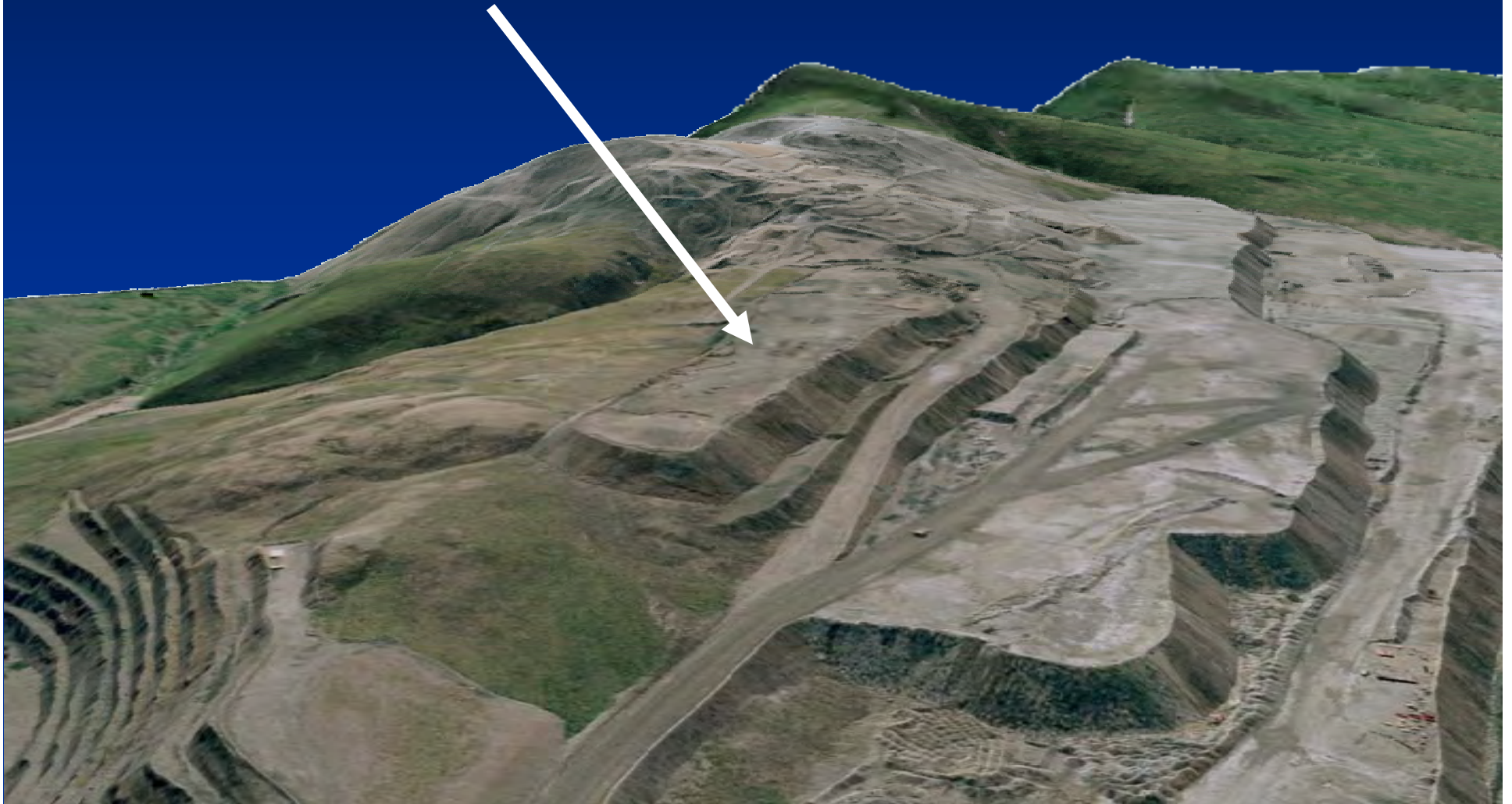


Complex Soil Cover



Cover Construction

- Oxide Stockpile











Pit Lakes

- Pit lakes will be contaminated



Pit Wall Cutbacks



Pit Wall Berms

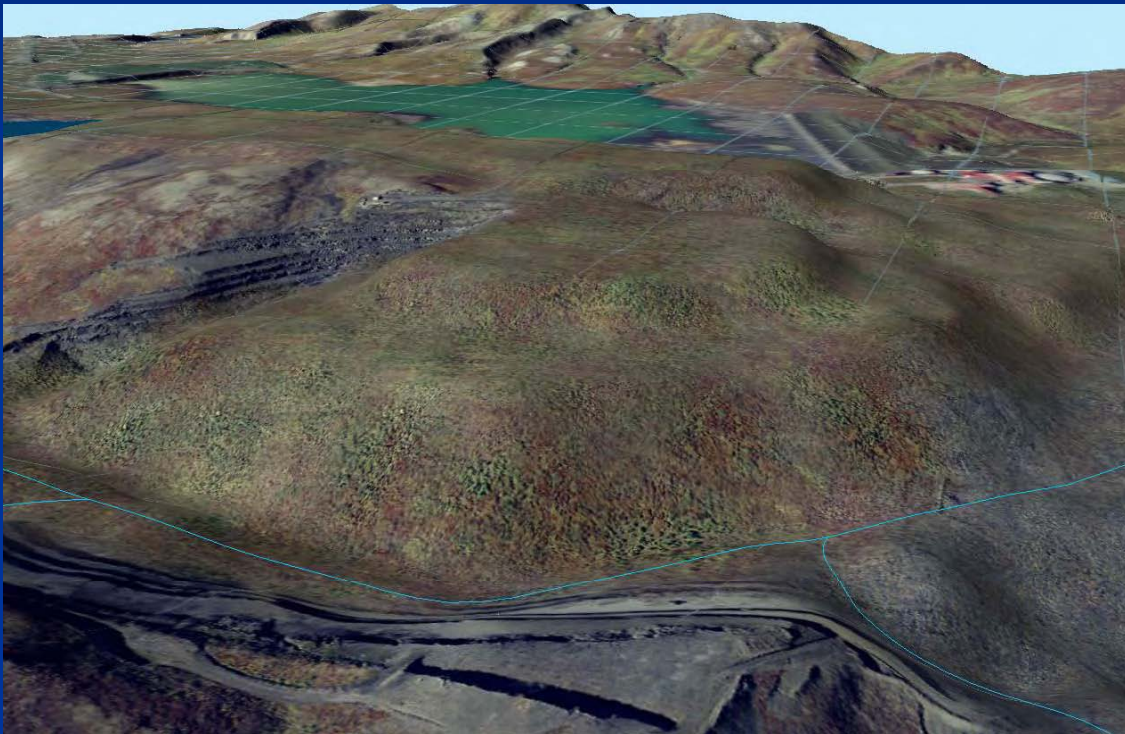
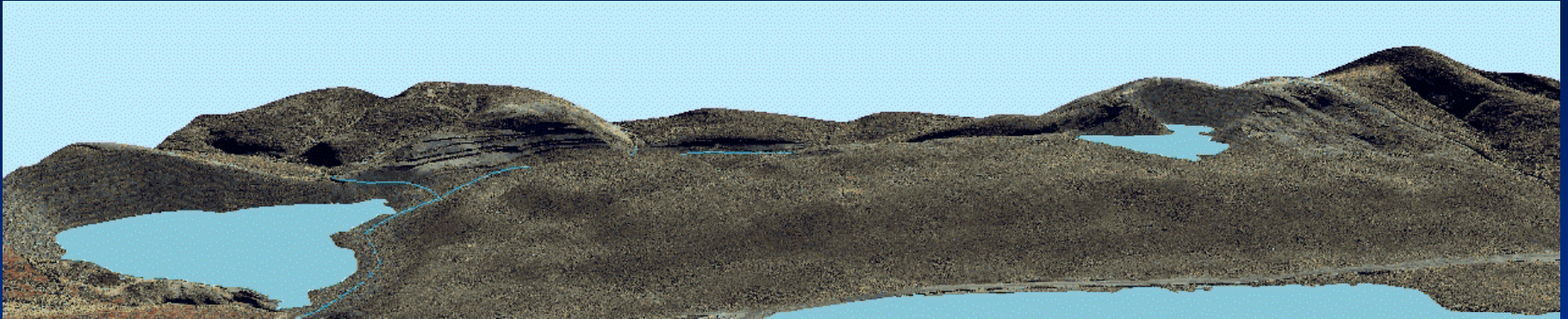


Red Dog Creek Diversion

- Re-build to new alignment
- Wide enough to pass 500-year flood



Mine Area after Closure



All reactive waste covered

Re-vegetation complete

Remaining pit walls safe

Water in Aqqaluk and possibly Qanaiyaq pits

Red Dog Creek diversion upgraded for long term











2004.09.23

Post-Closure Requirements



Monitor pit lakes

Maintain covers until
vegetation established
and stable

Collect any
contaminated
water

Inspect and maintain Red Dog Creek Diversion

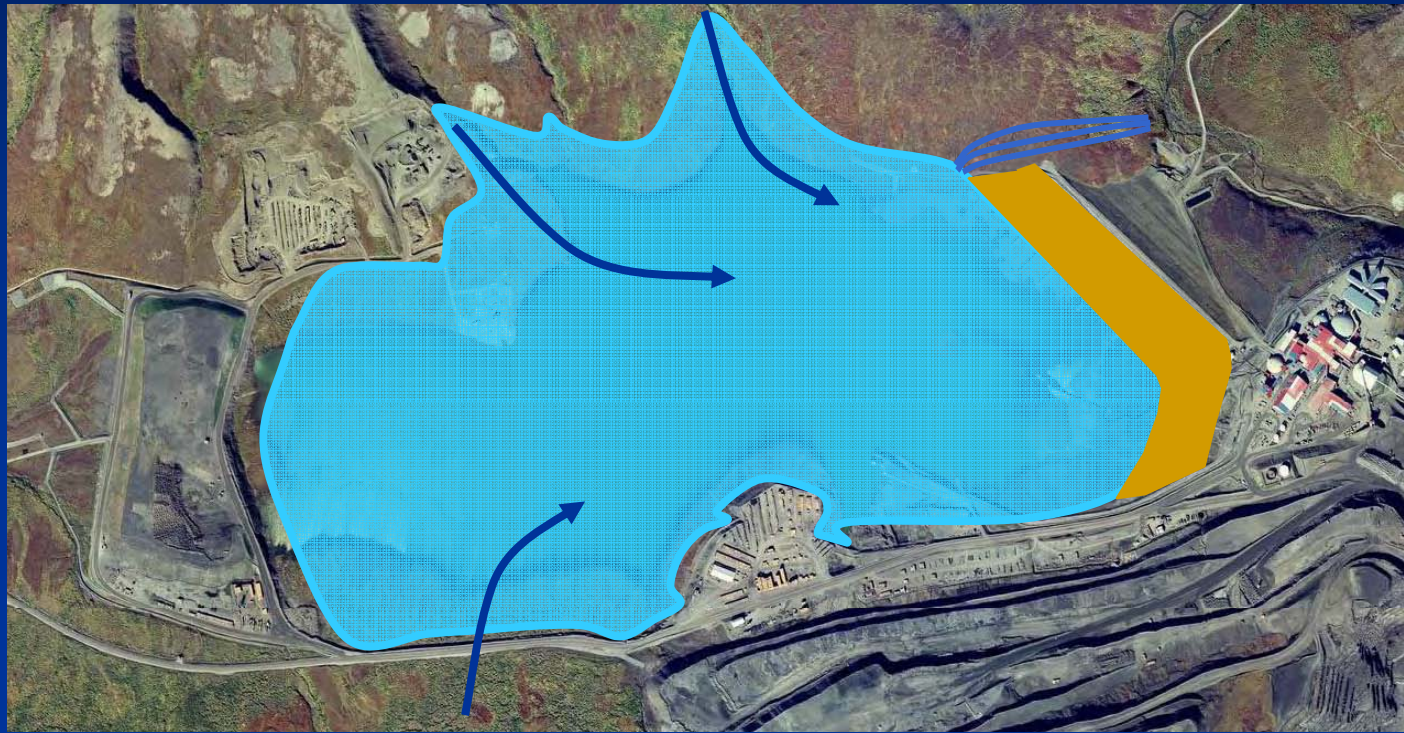
Tailings Area Option 2 Clean Pond



Chemical Stability



Clean Pond

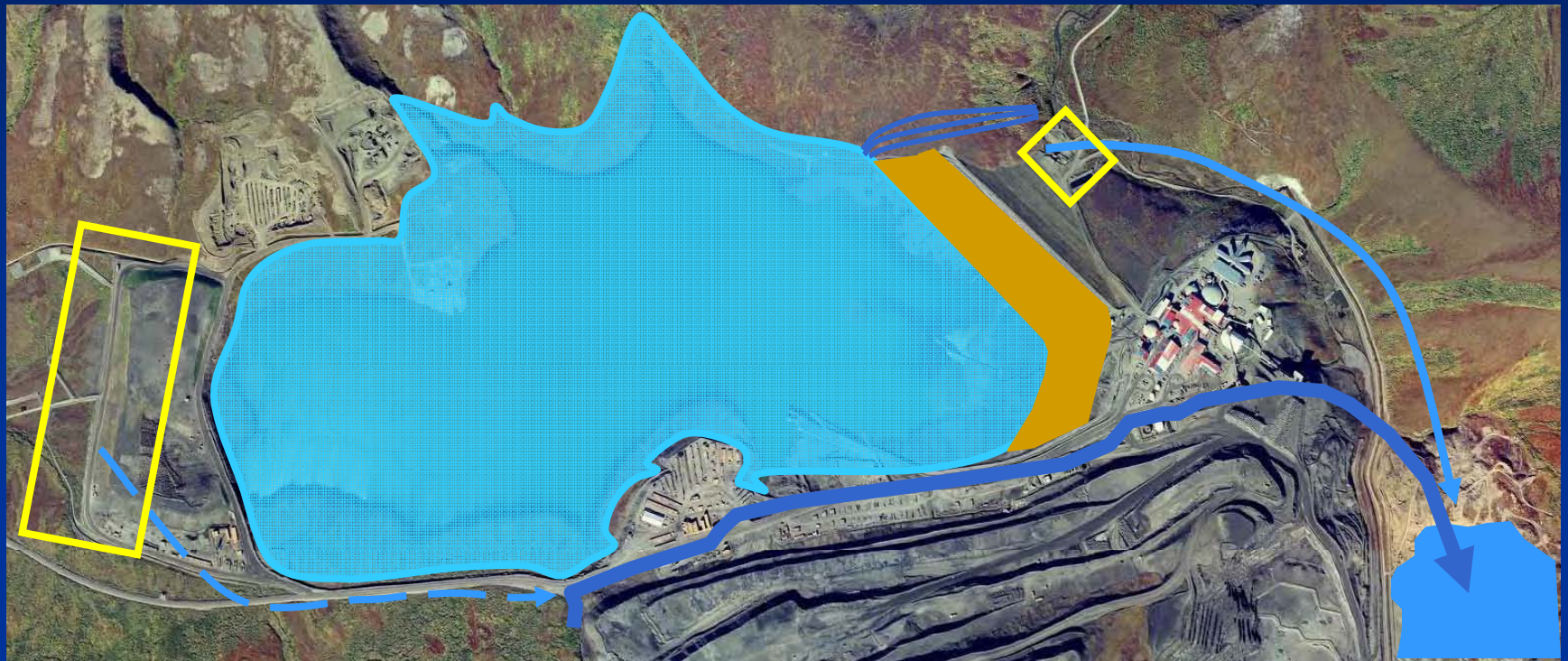


5 feet

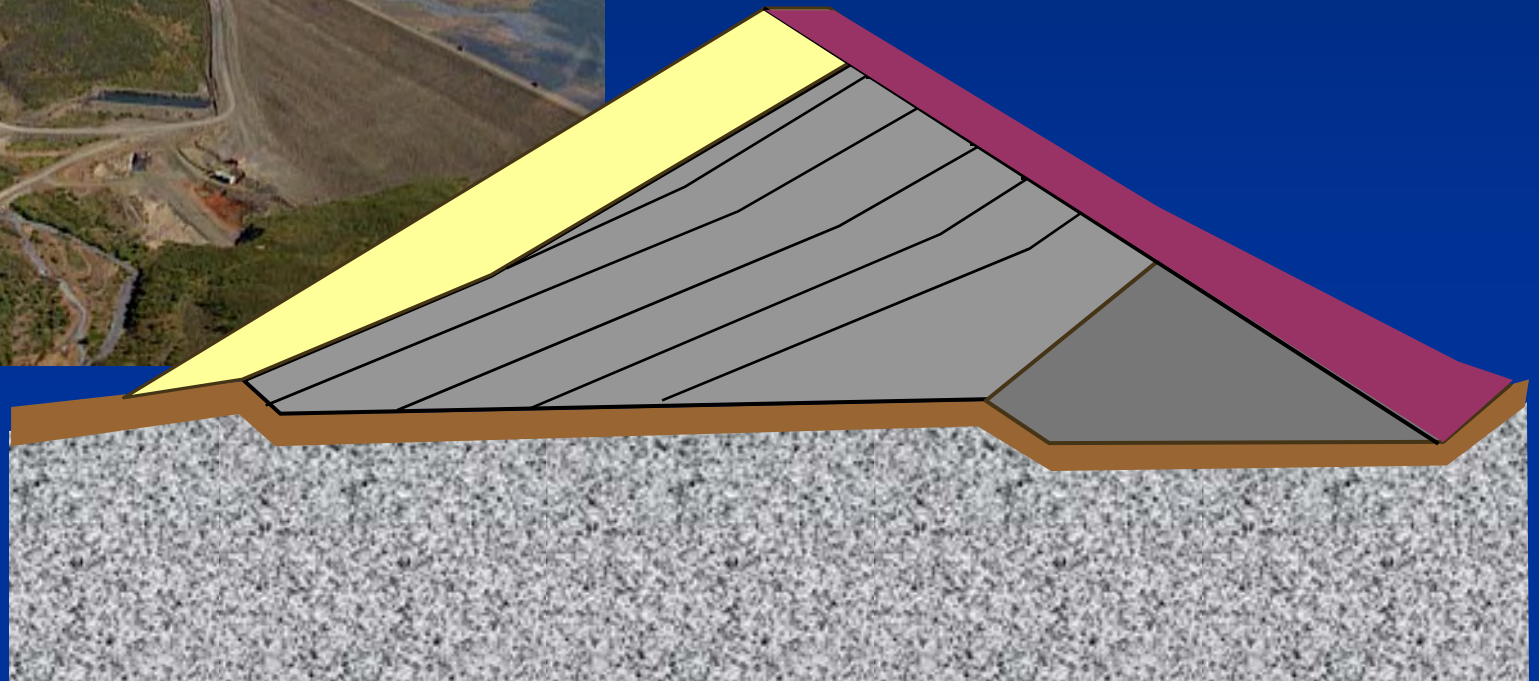
Contaminated Water to Aqqaluk Pit



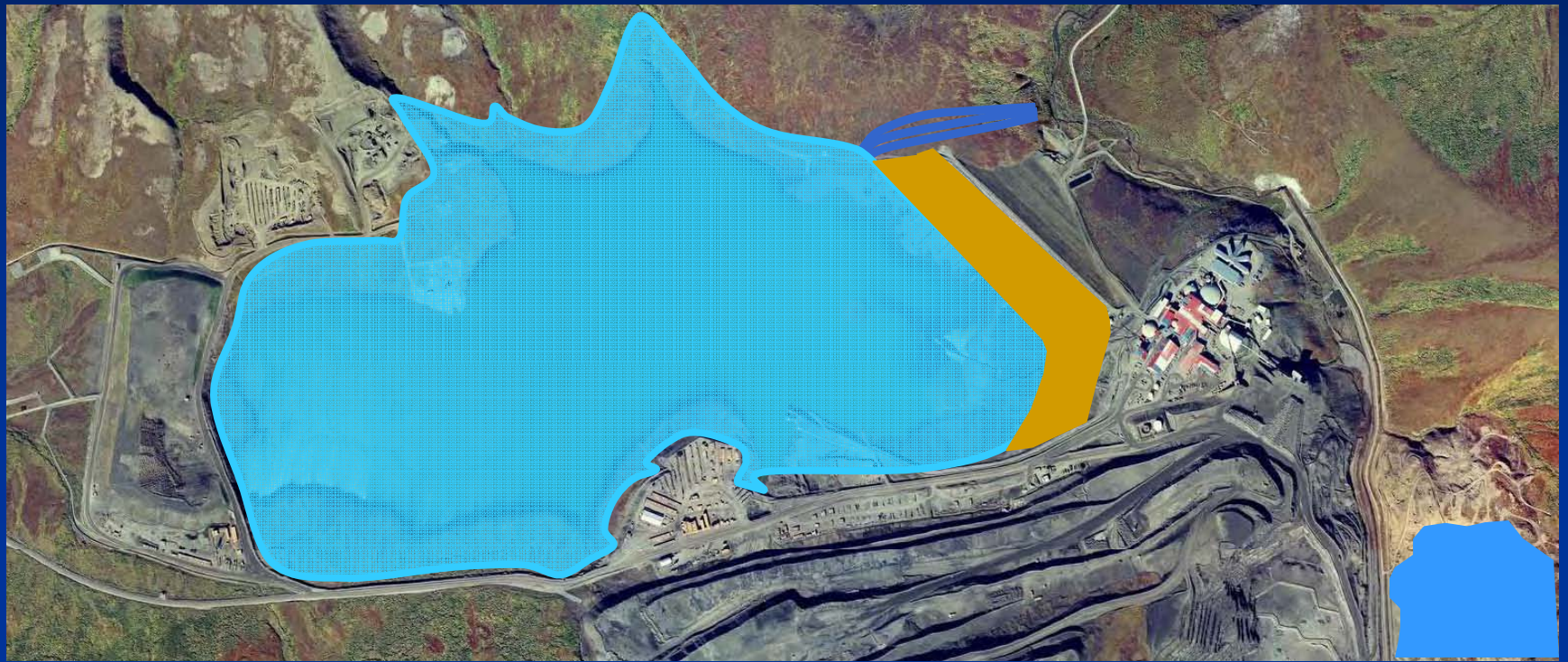
Seepage also to Aqqaluk Pit



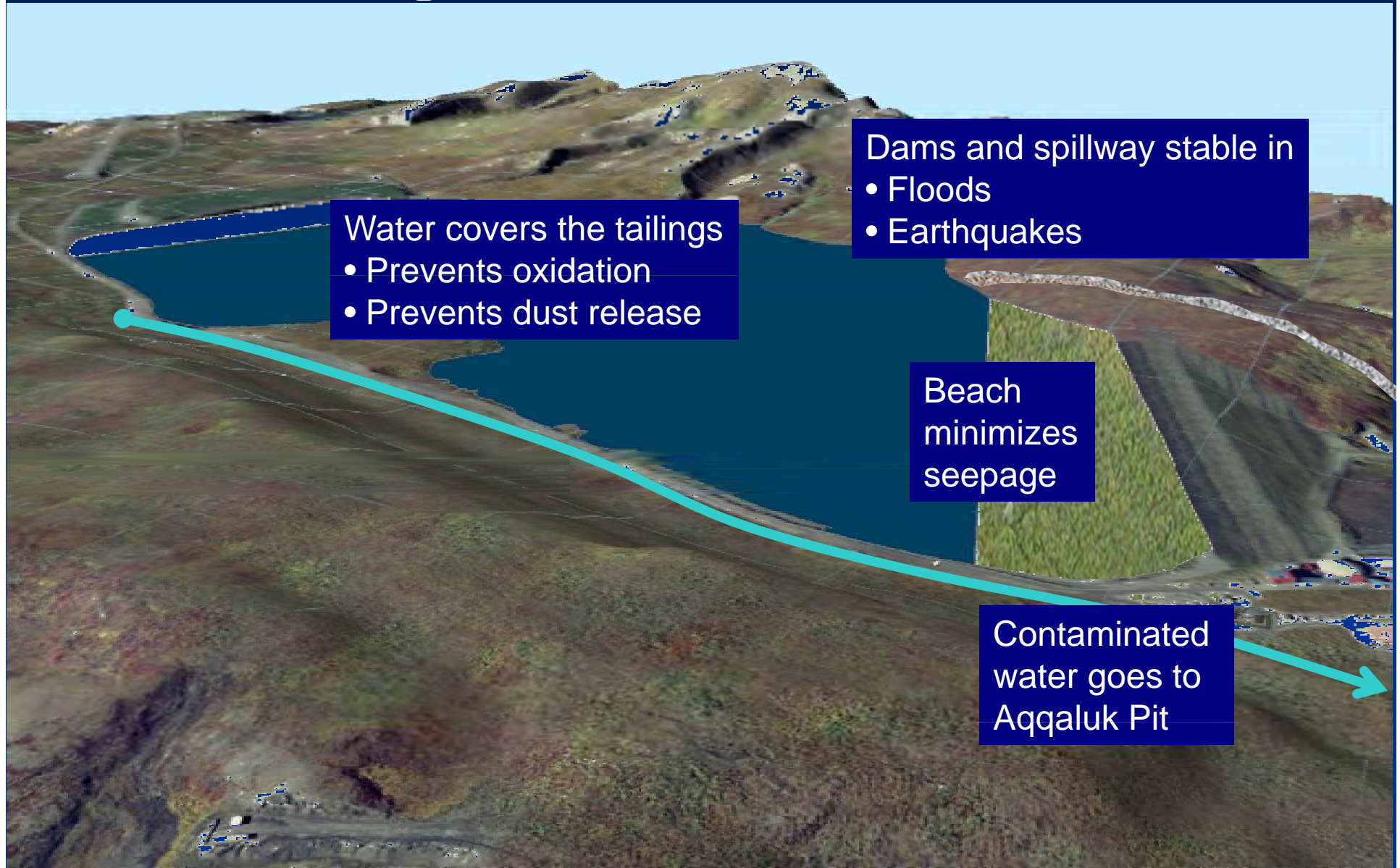
Physical Stability



Physical Stability

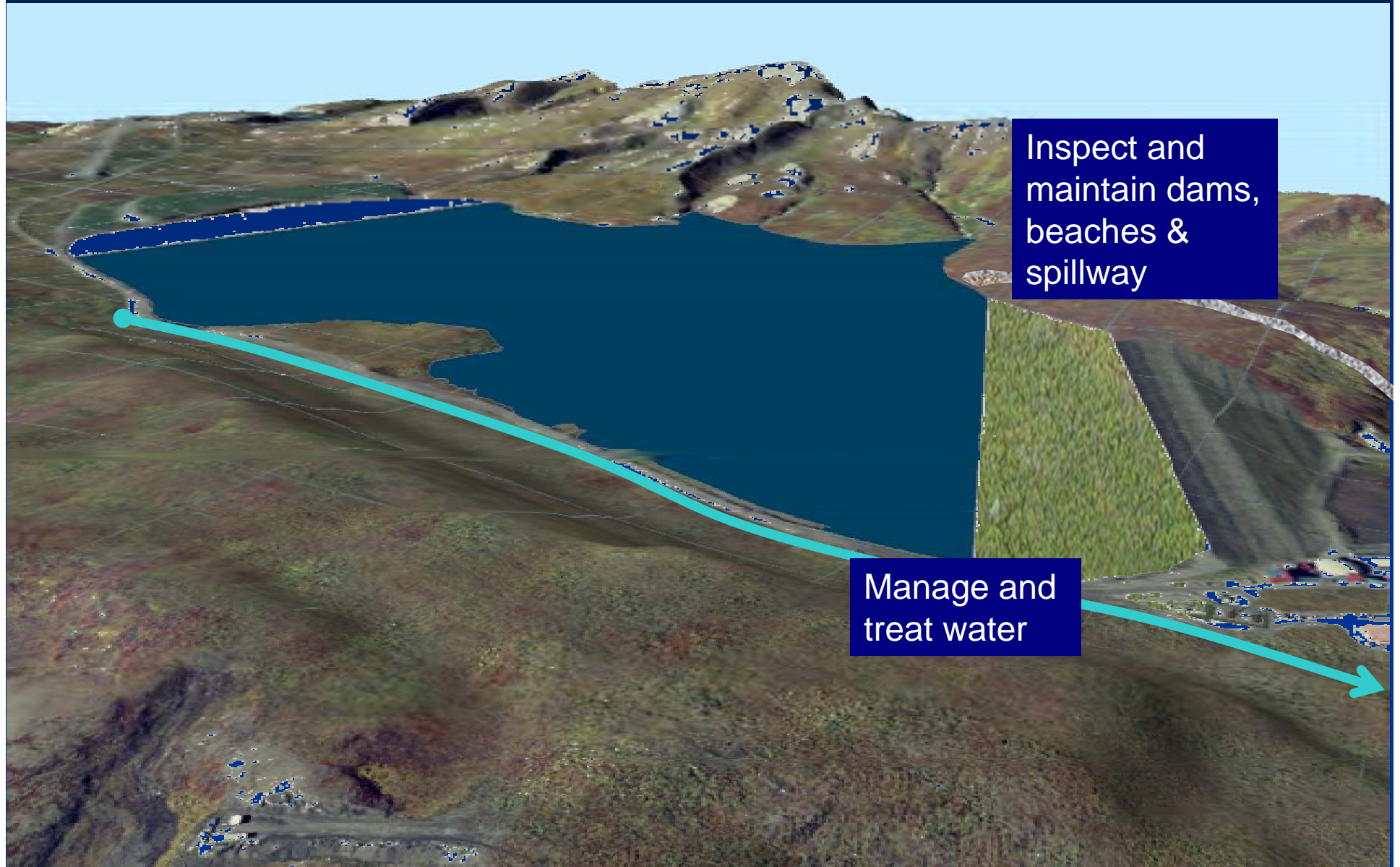


Tailings Area after Closure

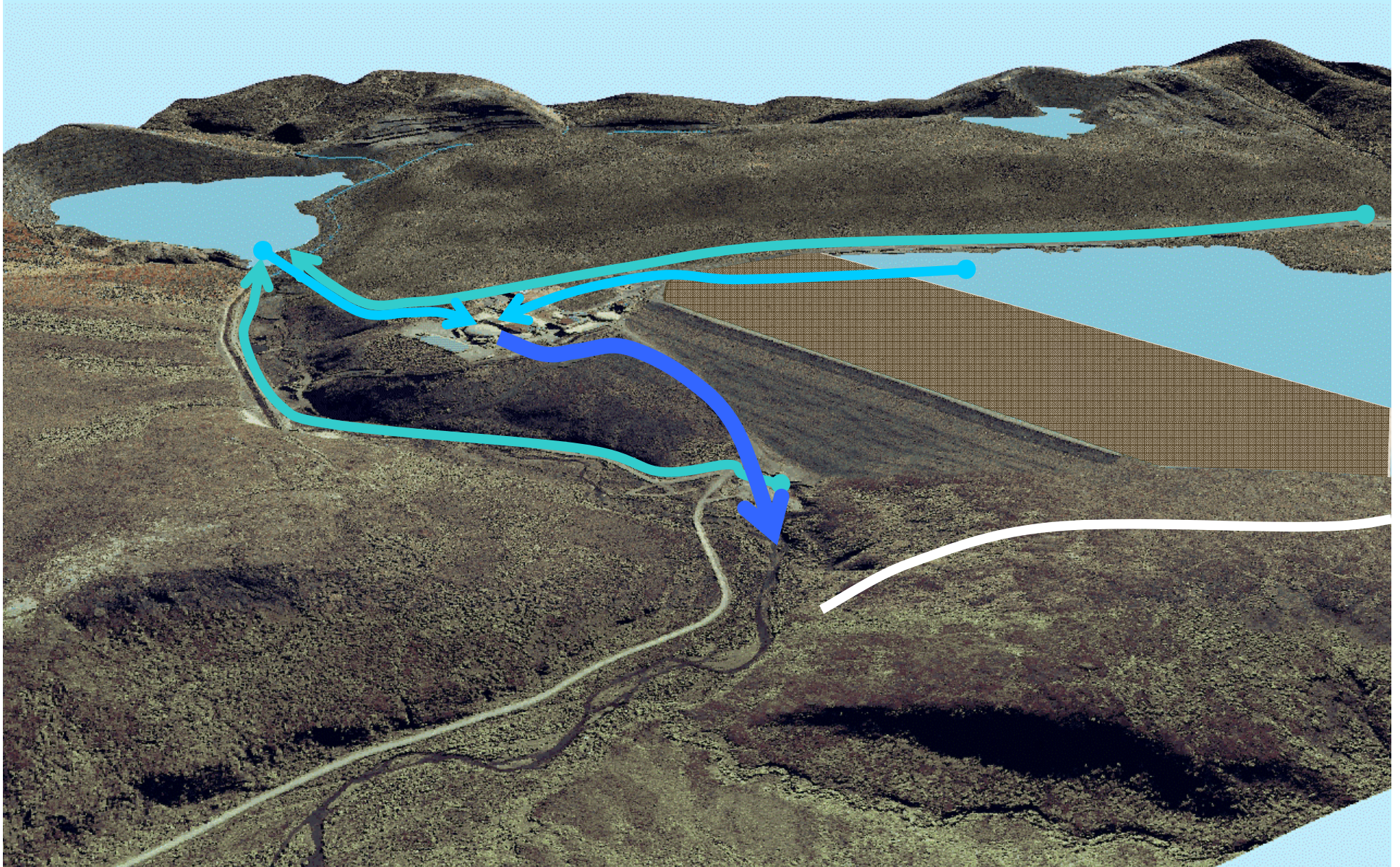




Post-Closure Requirements



Water Management & Treatment



Water Treatment and Camp



Water Treatment and Camp







Post-Closure Requirements

- Winter water management
 - 7 people on site
 - 12-14 employees
- Summer water treatment
 - 15 people on site
 - About 30 employees



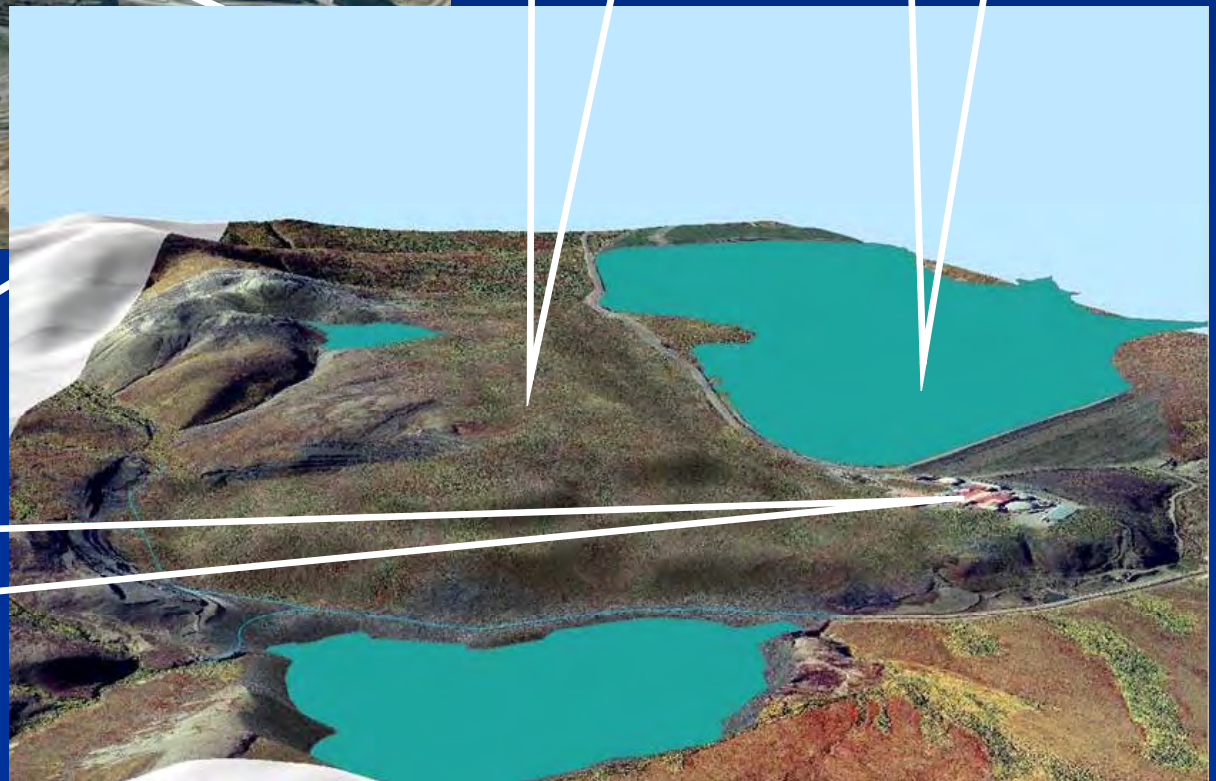
Summary



**Complex
Cover on all
Waste Rock**

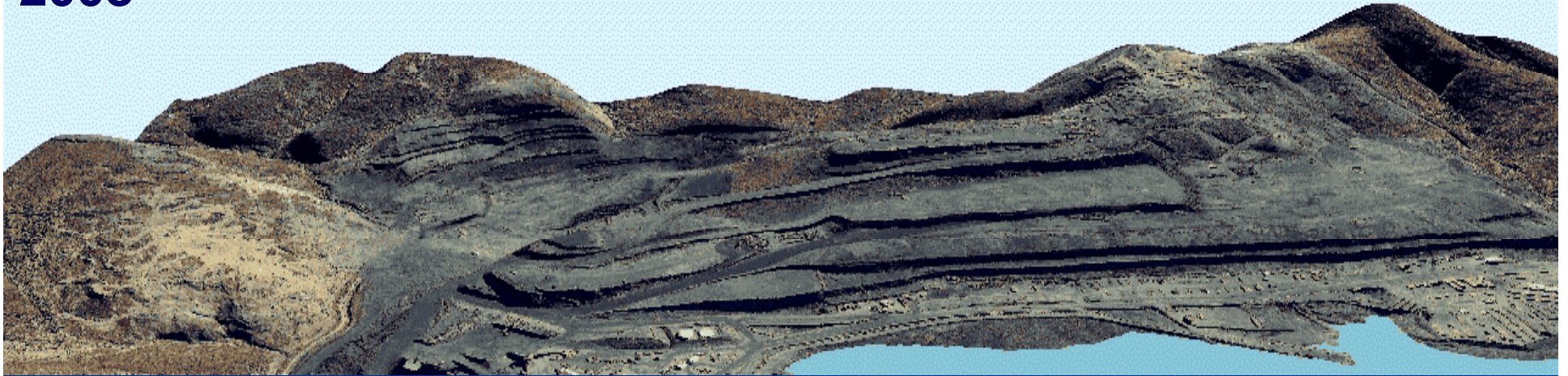
**Water
Cover on
Tailings**

**Long-Term
Treatment of
Contaminated
Water**



Schedule

2008



2010



Schedule

2015



2020



Schedule

2025

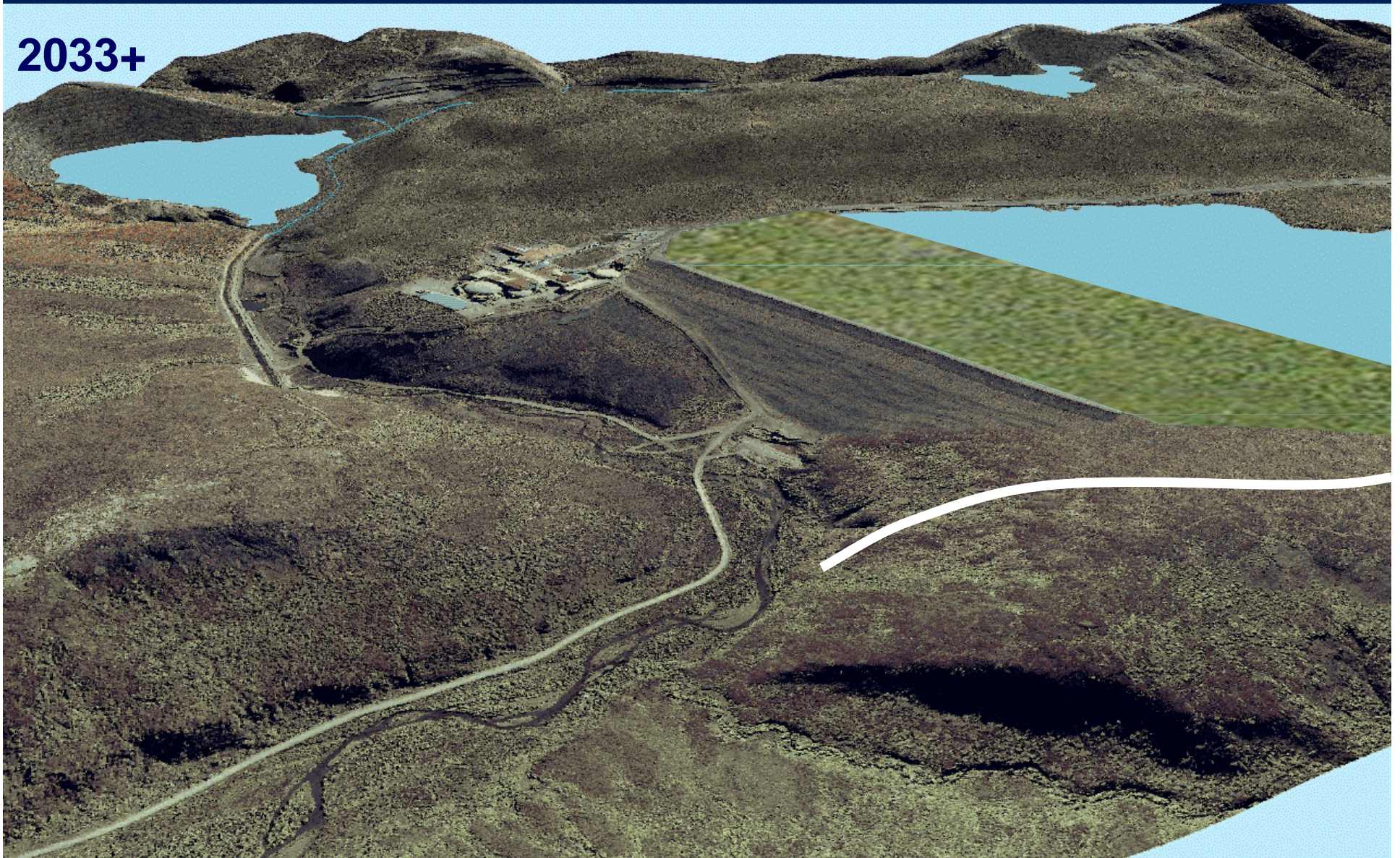


2032-33



Schedule

2033+



Costs

- Estimates developed by SRK-Red Dog and reviewed by State
- Three parts
 - Suspension period if mine operations stop
 - Closure work in 2032-2033
 - Long-term post closure
- Need to assume third party does all the work

Costs

- Suspension period
 - \$13,290,000 per year for five years
- Closure period
 - 2032-2033
 - \$51,000,000 total
- Post-closure period
 - 2034 →
 - \$10,540,000 per year



Treatment Methods

- Red Dog mine currently treats effluents using Lime treatment
- This process is considered Best Applicable Technology for acidic mine effluents
- Process alternatives assessed and Lime treatment is selected for closure
- Process is proven and simple and been in use for more than 30 years

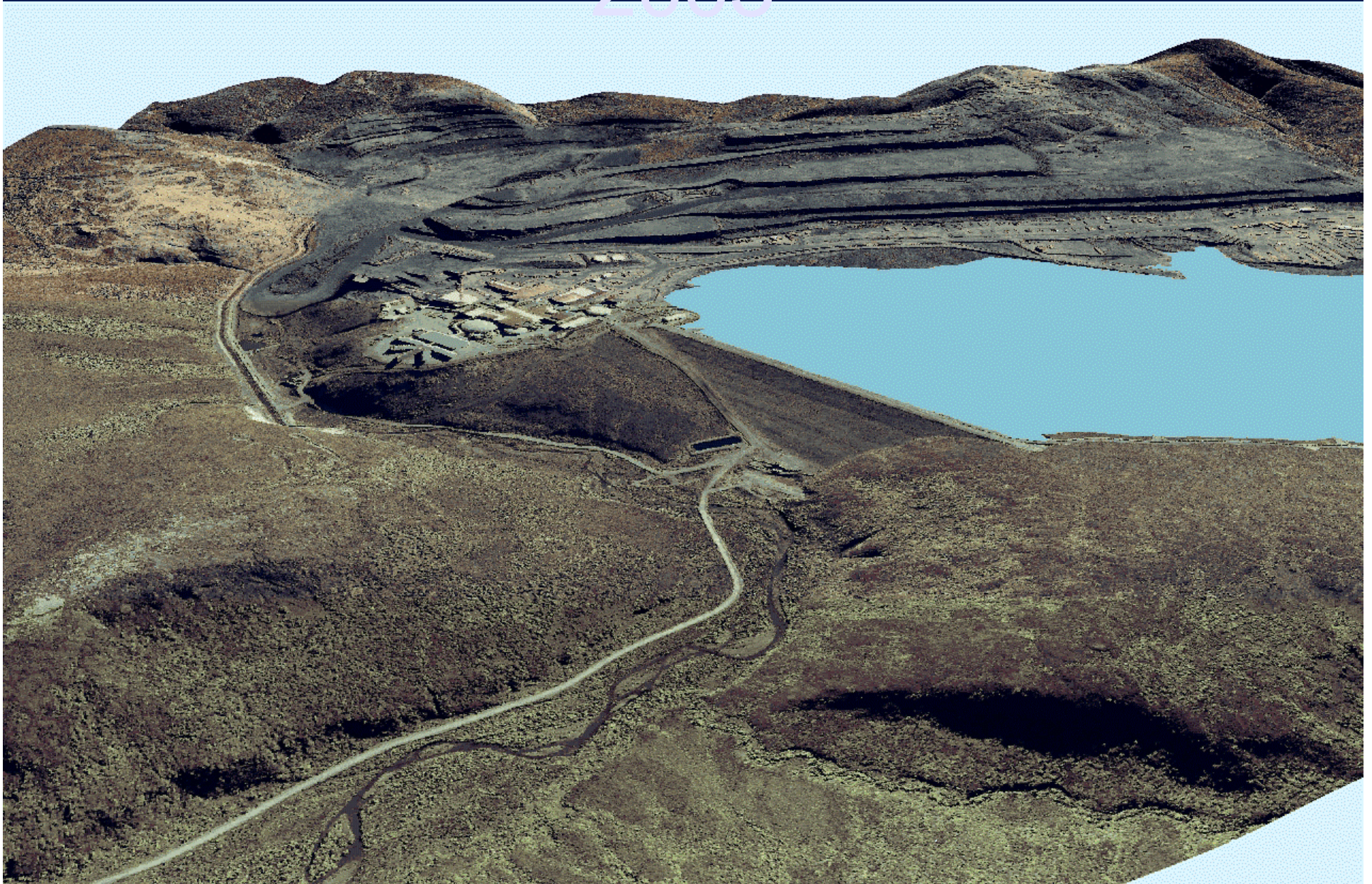
Contaminant Loadings

- Complex covers and flooded tailings will reduce contaminant loads by up to 75%
- After lime treatment, levels of sulfate and dissolved salts will be reduced at closure
- Tailings water over the long term may meet discharge standards without treatment

Treatment Application

- Continue with Year Round collection and storage of all contaminated water in the Aqqaluk Pit
- Seasonal treatment of the contaminated drainage in a lime treatment plant with discharge meeting permit levels
- On site disposal of treatment plant sludges (e.g. tailings basin and pits)

2005



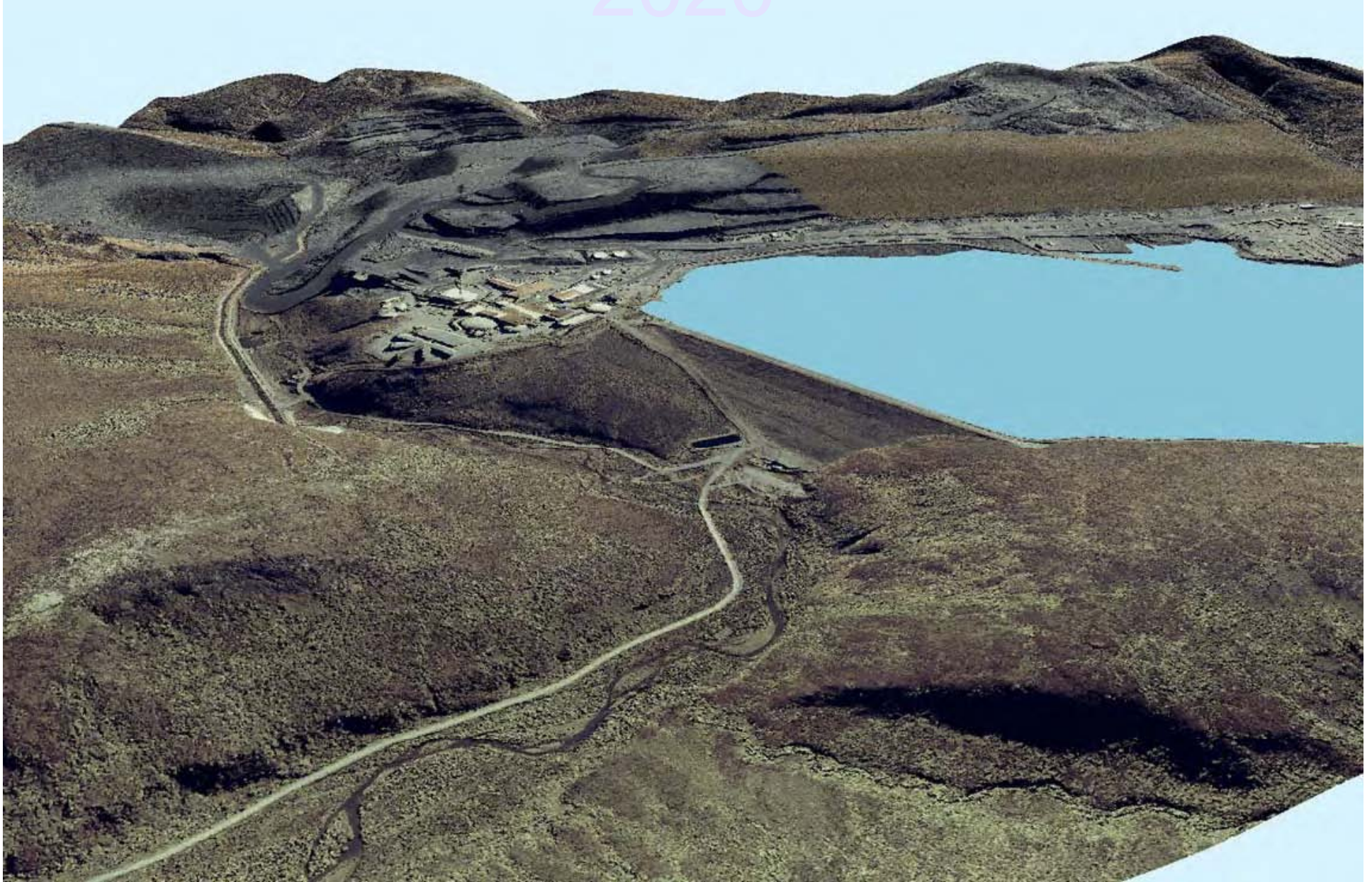
2010



2015



2020



2025



Cover Construction

