cc: Wharf, Lawrence Co. Comm., + SP

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES

PMB 2020
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NOTIFICATION OF LARGE SCALE MINE PERMIT APPLICATION WHARF RESOURCES (USA) INC

Pursuant to ARSD 74:29:01:05, the Department of Environment and Natural Resources is notifying you that Wharf Resources (USA), Inc., 10928 Wharf Road, Lead, South Dakota 57754, has submitted a large scale mining permit application to expand its current gold mining operation. The legal location is:

> Portions of Sections 1, 2, 3, and 12; T4N-R2E, Sections 6 and 7; T4N-R3E, and Sections 33 and 36; T5N-R2E, Lawrence County.
>
> General Location: Approximately 4 miles west of Lead, South Dakota.

The proposed project will involve open pit mining and disposal of overburden. Ore extracted from the expansion area will be hauled to the existing heap leach facility at the Wharf Mine for processing. As new mine areas are developed, waste rock and overburden will be used to backfill previously mined areas. A portion of State Highway 473 will be relocated during the project. Wharf Resources plans to disturb approximately 279 acres within the 616-acre expansion area, and total production is estimated to be about 175 million tons of material. The proposed expansion will extend the total life of the mine from 2012 to 2020. The proposed postmining land use is a mixture of rangeland or woodland grazing, home sites, and recreation and industrial or commercial development which will revolve around expansion of the Terry Peak ski area.

The application is currently being reviewed for completeness. The department will notify Wharf Resources by March 21, 2011 as to whether the application is complete.

Copies of the application are available for public inspection at the Minerals and Mining Program, 523 East Capitol, Pierre, South Dakota, on the Minerals and Mining web page at http://denr.sd.gov/des/mm/wharfpage.aspx or at the Lawrence County Register of Deeds Office in Deadwood, South Dakota.

February 28, 2011