RECEIVED
JUL 14 2011
MINERALS & MINING PROGRAM

GOLDCORP
WHARF RESOURCES (USA) INC.

July 13, 2011

Mr. Eric Holm
Department of Environment and Natural Resources
Office of Minerals and Mining
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3181

Re: Wharf Resources Large Scale Mine Permit Application

Dear Mr. Holm:

Wharf Resources (USA), Inc. is submitting additional information in response to the South Dakota Department of Environmental and Natural Resources (SD DENR) review and comments made in a letter addressed to Wharf and dated July 13, 2011. Remaining completeness comments are addressed in this letter and as applicable attachments. If you have any questions or require further information, please contact me at 605.584.4177.

Sincerely,

Ken Nelson
Operations Manager

RECEIVED
JUL 14 2011
MINERALS & MINING PROGRAM

GOLDCORP
WHARF RESOURCES (USA) INC.

Remaining Completeness Items

1. SDCL 45-6B-6(2) and (5), SDCL 45-6B-12, SDCL 45-6B-44, and ARSD 74:29:02:03. Please clarify the status of DOT surface ownership in the expansion area. In the July 11, 2011 letter from DOT, it states there is DOT controlled property in the expansion area. If DOT is not a surface owner and has only been granted an easement in the area from Wharf Resources for Highway 473 and the rerouted highway, please submit documentation verifying the easement has been granted to DOT by Wharf.

   A letter or email will be forward once received from legal consul for verification of ownership which is Wharf Resources. Also a letter has been included from the DOT stating permission to enter and commence operation.

   Also, please submit letters from the BLM stating Wharf has permission to enter and commence operations on BLM land and that the agency has received copies of the operating and reclamation plan. Please note SDCL 45-6B-12 (Consultation with Surface Owner – Instrument of Consultation) is not a procedural completeness item. However, the instrument of consultation must be submitted prior to conducting a mining operation in the permit area. Although Wharf does not need to submit the instrument of consultation at this point in the process, it needs to submit the written receipt for the operating and reclamation plans.

   Letters from DOT and BLM are attached. The operating and reclamation plans were submitted to the BLM as part of the large-scale mine permit of which they received a complete copy. Proof of submission of the permit application is attached.

2. SDCL 45-6B-7(9) and ARSD 74:29:02:07. An additional three months of baseline data is still required from well PW-2 to comply with the one year of monthly baseline sampling required under ARSD 74:29:02:07. Since this is a completeness item, Wharf is required to submit the remaining data before the permit application can be considered complete. However, the regulation does allow Wharf to provide a hydrologically justifiable explanation for a shorter period of time for baseline data collection in this well. As a result, if Wharf submits a hydrologically justifiable request to the department for the shorter baseline period, the department may determine a shorter baseline period is adequate for this well.

   Wharf submitted a petition to accept a reduced sampling period to the SD DENR on July 13, 2011. A copy of that letter is also attached.

3. SDCL 45-6B-46 and ARSD 74:29:07:14(4). Please address any areas that will not or cannot be vegetated during final reclamation, including any areas where toxic or acid forming waste rock or spent ore will prevent vegetation. Also, in Wharf's July 5 response,

RECEIVED
JUL 14 2011
MINERALS & MINING PROGRAM

it states in Section 6.5 that no revegetation will be required where permanent pools or lakes have been formed. This contradicts Wharf's statements in the permit application that no permanent impoundments will be created. Please clarify if Wharf intends to create permanent impoundments.

Wharf Resources does not plan to create any permanent impoundments, the response to the above sentence did not mean to imply that impoundments would be constructed. There are no areas that will not or cannot be vegetated during final reclamation.

4. SDCL 45-6B-10(4), and ARSD 74:29:02:12. In Exhibit 31, please include the name and signature of the person that created the map and a map scale. Also, since the State Archaeologist office has requested reports and maps showing archaeologic sites need to be considered confidential under SDCL 1-20-21.2 and 1-27-1.5 and are not available to the public, Wharf should mark Exhibit 31 as confidential. This map should also not be filed with the Lawrence County Register of Deeds Office.

   Exhibit 31 has been revised and is attached. The exhibit and all archaeological information has been pulled from the registers office in Lawrence County.

5. ARSD 74:29:07:04(1)(c) and (5). Please how the regraded slopes will be stable for the extension of the ski runs and other recreational facilities and for homes and commercial development. Also, please provide details on how the upper Fantail drainage will be restored after the completion of mining in the Golden Reward pits.

   Conceptual plans for ski runs and snowmobile trail have been added to Exhibit 23.1. The reclamation of the area at Golden Reward will be graded so that it is fully stable, maintaining slopes less than angle of repose. Areas slated for home sites or commercial development will be assessed after final reclamation to ensure that they are stable for construction. Majority of the sloping for ski runs will be completed at an eight to fifteen percent slope which is very stable.

   The restored upper Fantail drainage will be restored to approximate current location (refer to Exhibit 23.1) and will consist of the same construction style similar to which was used in the previous reconstruction of the upper Fantail drainage. This consists of compaction of the base of the drainage with fines to help in containing solution into the drainage along with larger rock material within the drainage for sediment and erosional control.

6. ARSD 74:29:07:12(4). Please discuss whether the culvert crossings for Nevada Gulch Creek will be at or near right angles to the stream as required in this regulation.

   Please refer to Exhibit 29.1. This exhibit indicates the detail of the crossing at Nevada Gulch Creek area, the culvert sets at ~ right angle to the creek. All required regulations

RECEIVED
JUL 14 2011
MINERALS & MINING PROGRAM

will be followed and met concerning ARSD 74:29:07:12 (4) when constructing the culvert crossing.

7. ARSD 74:29:07:23. In the July 6, 2011 response to the department's draft comments discussed during the mine permit audit meeting, Wharf continues to imply an alternative postmine land use for the recreation post mine land use. In its response, Wharf states the land designated for recreation will be reclaimed so it meets the needs for future recreation development with the Terry Peak ski area and if needed, will meet the rangeland criteria to fall back on.

Wharf needs to clearly define as required in ARSD 74:29:07:23, the proposed type of recreation which the reclamation will provide, such an enhancements to the Terry Peak ski area, without any references to rangeland. It will also help eliminate any confusion from the public and the Board of Minerals and Environment on Wharf's reclamation plans for the area around Terry Peak. Wharf can state the same seed mix will be used for all proposed postmine land uses.

The Harmony and Liberty highwalls at Golden Reward that are planned to be mined will be reclaimed and sloped in a manner so that existing ski runs will tie in with the new reclamation and will give the opportunity to lengthen the existing runs if Black Hills Chairlift desires to do so. In addition it will give rise for the opportunity for Black Hills Chairlift to add sled runs, snow mobile trails and hiking trails if desired.

The final reclamation in and around the ski area for recreation can be viewed within the Visual Assessment video that is included within the material submitted with the LSMP.

The land designated for Recreation will be reclaimed so that it meets the needs for future recreation development with Black Hills Chair Lift (Terry Peak Ski Area).

The same seed mix will be used for reclamation of the designated final reclamation areas of Recreation as being used in all other final reclamation areas.

After reviewing the Visual Assessment Video, we noted Wharf shows potential future ski runs and a potential snow mobile trial that will tie into existing trails on the video. It would be helpful to show these features on the post mine contour map in Exhibit 23.1. Since some people will not have access to the video, showing these features on Exhibit 23.1 will help these people visualize the enhancements Wharf is making to the ski area that are mentioned in the video.

Exhibit 23.1 has been updated identifying conceptual location of extended ski runs from Terry Peak ski area onto the Golden Reward property and the snow mobile trail to the property.

RECEIVED
JUL 14 2011
MINERALS & MINING PROGRAM

As mentioned previously, we realize the plans for the ski area are conceptual at this point. We can add a technical revision category to the permit which would allow Wharf to make changes to aspects of the recreation, industrial, and home site reclamation plans so that changes such things as the ski runs and snow mobile trails can be made.

8. ARSD 74:29:07:24(1)(c) and ARSD 74:29:07:25(1)(c). In the July 5, 2011 response to the department's comments, Wharf implied traffic control issues would be addressed by future commercial and home developers. However, the regulations require the applicant Wharf Resources, not third party developers, to address traffic control for the industrial and home site land uses. Therefore, please describe traffic control for the industrial and home site postmine land uses.

   Wharf Resources will assure that county and DOT standards are followed concerning traffic control issues for the Industrial and Home site land uses where required.

Finally, please submit proof that Wharf's July 5 response to the department's draft comments discussed at the permit audit meeting, the proof of submissions and the agency consultation letters submitted July 6, and the information required in this letter has been filed with the Lawrence County Register of Deeds office.

These items, including this response letter, will be filed with the Lawrence County Register of Deeds immediately. Proof of submission will be forward to the DENR once received.