

WHARF RESOURCES (U.S.A.), INC.

A wholly owned subsidiary of Goldcorp Inc.

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DEC 18 2009

MINERALS & MINING PROGRAM

November 19, 2009

Mr. Mike Cepak
DENR – Mining & Minerals
Joe Foss Building
523 East Capitol Avenue
Pierre, SD 57501-3181

Mr. Gary Haag
DENR – Ground Water Quality
Joe Foss Building
523 East Capitol Avenue
Pierre, SD 57501-3181

RE: Permit Amendment to State Mine Permit No. 464 for an increase of more than twenty (20) percent of contiguous affected land within the permit area.

Pursuant to ARSD 74:29:03:01 and 74:29:03:03, Wharf Resources is requesting approval for additional land (eighteen (18) acres) to be affected within the mine permit boundary above the current twenty (20) percent of contiguous land.

(1) The operators name:

Wharf Resources (U.S.A.), Inc.
10928 Wharf Road
Lead, SD 57754

(2) The permit number:

State Mine Permit No. 464

(3) A narrative description of the amendment being proposed:

Pursuant to ARSD 74:29:03:01, Wharf Resources is requesting approval for additional 18 acres (does not include the Perkins Road) of land to be affected within the mine permit boundary above the current twenty (20) percent of contiguous land under Mine Permit No. 464. Under Mine Permit No. 464, two hundred seventy-nine acres are permitted for disturbance, of these 279 acres, twenty (20%) percent of additional land can be disturbed (55.80 acres) within the mine permit boundary. Currently Wharf Resources has used 54.73 acres of the 55.80 acres through approved technical revisions (TR). Refer to Exhibit 1 and Exhibit 3, for current topography and location of additional land location.

The request for additional acreage is for a pushback of the American Eagle Pit west high walls for continued mining efforts. The pushback has the potential to increase the mine life an additional ½ year extending the mine life into the year 2013 under current economic conditions.

The additional acreage is located west of the current western high wall of the American Eagle Pit and west of the Perkins Road (refer to Exhibit 3). The pushback of the American Eagle Pit will extend through the Perkins Road and extend near the crest of the Cleopatra Drainage.

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The American Eagle pushback will contain approximately 1 MT of ore and 3.0 MT of waste material, all which is comprised of porphyry. The ore will be hauled to the current crusher facility on site and will be crushed and processed with current means. The waste rock will be used as backfill within the pushback area and the main part of the American Eagle Pit and Deep Portland Pit.

Access within the expansion will use the same ramping as shown on Exhibit 13 of the Technical Revision dated November 10th, 2009, from benches being mined in the main part of the American Eagle Pit.

Within the additional area a topsoil stockpile and a low-grade ore stockpile site will be located (refer to Exhibit 3). The topsoil stockpile is designed to hold approximately 0.25 MT, which will be used to stockpile topsoil from areas across the mine site. The low grade ore stockpile is designed to hold approximately 0.75 MT of ore that will be processed at a later time. The two stockpile areas may consist of either low grade or topsoil and will be differentiated once stockpiling begins.

(4) The legal description of land affected by the amendment;

Section 35; T5N, R2E
Black Hills Meridian

(5) A map in compliance with SDCL 45-6B-10 and ARSD 74:29:02:12, showing the land affected by the amendment.

Refer to enclosed drawing Exhibit 1 – Current Topography and Exhibit 3 – American Eagle Pit Pushback.

(6) The estimated cost of implementing and completing the reclamation of land affected by the amendment;

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American Eagle Layback - Additional Reclamation

LOCATION	Area (Acre)	Recontouring		Topsoil (Yd ³)	Seeding (Acre)	TOTAL (\$)
		Volume (Yd ³)	Distance (ft)			
PIT	6.8	10,000	250	3,620	6.8	
	COST TO RECLAIM:		\$ 4,000.00	\$ 2,500.00	\$ 10,200.00	\$ 16,700.00
DUMP	1.5	45,000	350	799	1.5	
	COST TO RECLAIM:		\$ 25,000.00	\$ 1,000.00	\$ 2,250.00	\$ 28,250.00
STOCKPILES	8 2.3	0	0	4,259	10.3	
	COST TO RECLAIM:			\$ 2,200.00	\$ 15,450.00	\$ 17,650.00
						\$ 62,600.00 Reclaim All Areas

Reclamation Narrative

- Pit Area: The pit will be backfilled along Perkins and will be used as a roadway to haul the stockpiled material. Once stockpiles are removed, the area will be recontoured @ 3:1, topsoiled and seeded.
- Dump Area: The waste dump will be re-contoured in place to a min. 3:1 slope, topsoiled and seeded.
- Stockpiles: The stockpile material will be completely removed prior to reclamation or re-contoured to a min. 3:1 slope. The topsoil will be used to reclaim nearby areas. The floors of the stockpile areas will be ripped prior to applying topsoil and seed.

(7) A description of the reclamation being proposed for the land affected by the amendment;

The reclamation will be comprised of partial backfill of north and south high wall of the Expanded American Eagle Pit, and contouring and backfilling. Majority of the reclamation that will be completed resulting from the mining of the affected land will be for the backfilling of the Deep Portland and American Eagle Pits for greater aesthetic and visual enhancement. Refer to Exhibit 2 and Exhibit 4 for current and final reclamation plans. The areas in which the Topsoil and Low-grade Stockpiles are located will be reclaimed to pre-mine conditions, and will follow current reclamation standards.

Areas of highwalls along the western edge of the pushback may have additional reclamation conducted which would help blend the highwall where possible if additional material is available, otherwise reclamation will remain as stated and shown on exhibits.

It is not anticipated that ponding will occur within the final reclaimed area of the American Eagle Pit due to the material characteristics of the backfill being majority of Porphyry and Deadwood sediments. Within the near middle of the reclaimed pit a small depression will be constructed during reclamation utilizing Deadwood shales or clay material to help collect or pond water from meteoric events. This depression will benefit the wildlife for use as a watering hole.

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- (8) The name and address of the surface owner of land affected by the amendment:

Wharf Resources (U.S.A.), Inc.
10928 Wharf Road
Lead, SD 57754

- (9) The name and address of the mineral owner of land affected by the amendment:

Wharf Resources (U.S.A.), Inc.
10928 Wharf Road
Lead, SD 57754

- (10) An instrument of consultation with the surface owner as required by SDCL 45-6B-12 and proof of consultation with adjacent landowners as required by SDCL 45-6B-44 for land affected by the amendment:

The adjacent land owners (BLM and USFS) have had notices sent and receipts will be forwarded.

Note: Government Lot #10 (Acme Fraction) and Government Lot # 6 (Arizona Fraction) are both BLM land and Wharf Resources have filed the required unpatented claims on these parcels.

- (11) Proof of consultation with the department of game, fish, and parks and the local conservation district, including any additional surveys and requirements considered necessary by those agencies:

Notices have been sent to departments and receipt will be forwarded.

- (12) Proof of compliance with all county or city zoning ordinances and requirements or proof that the amendment application is in substantial compliance with the procedure for obtaining any necessary county or city permits:

Proof of compliance with county ordinances will be forwarded.

- (13) A post mining map as required by SDCL 45-6B-7(8):

Refer to enclosed drawing Exhibit 4 – Final Reclamation

- (14) The effect the amendment has on the timetable and duration of the mining operation:

The addition of affected land could increase the mine life approximately 1/2 years, extending mining into the year of 2013.

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(15) Baseline data and maps pursuant to the requirements of ARSD 74:29:03:07;

All baseline data completed for Mine Permit 464 and Mine Permit 356, 434, and 435 includes this area. Please refer to the baseline data and maps from referred permits and subsequent technical revisions for this information.

Procedural Information:

1. SDCL 45-6B-4, ARSD 74:29:02:02 and ARSD 74:29:03:03(12) – Lawrence County approval required.

Meeting is scheduled with Lawrence County Commissioners, if approved letter will be forwarded showing proof.

2. ARSD 74:29:02:03 – List of surface and mineral owners

Reference Appendix 1, Volume 1 - Land Ownership of the Revised Application for State Mine Permit 464, December 1997. Also refer to Exhibit 9.

3. ARSD 74:29:02:04(3) – Pre and post mining cross sections of the push back.

See Exhibits 5 - 8 for cross sections of pre and post mining areas of the Pushback.

4. ARSD 74:29:02:04(1) – Mining and milling techniques for the pushback.

The blasted rock is marked with color-coded flags after blasting to delineate the ore and waste. Most areas are mined on 20-foot benches, if the assays warrant, the bench will be mined in two 10-foot benches to better segregate to ore and waste. The blasted rock is loaded into the trucks with rubber-tired front-end loaders. Mine bench grade is controlled by surveying and by grade markers that the operators and supervisors locate using hand levels and laser equipment. The material is hauled to the crusher or discard site with a fleet of 100-ton trucks. The mine is scheduled to operate twenty-four hours per day, seven days per week. All material movement is conducted by company personnel or contractors as needed.

Mining of the new area will be determined on mine plan needs. The monthly mined tonnage could range from a total of 50,000 – 500,000 tons of ore and waste combined, with a mining depth of 20' – 60' in the area.

The Wharf gold processing facility is comprised of five independent heap leach pads associated with four solution-holding ponds. The recovery plant processes ~3,400 gpm through three sets of carbon adsorption columns in combination with a high pressure and temperature strip plant and electro-winning cells. Leach solution is applied using drip emitters. Heaps are neutralized through an independent neutralization pond using copper sulfate and hydrogen peroxide to destroy the cyanide.

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Nitrates within the neutralization solution are extracted by use of a biodenitrification plant. This plant uses naturally occurring bacteria to breakdown the nitrates into nitrogen gas and oxygen. Assay lab capabilities include fire assaying of exploration and crusher samples, cyanide digestions, water chemistry analysis, and other bench scale tests.

5. ARSD 74:29:02:04(2) – Narrative description of the pre-mining and post-mining contours.

The American Eagle push back area pre-mining contours is fairly (1-3% rolling grade) flat lying beginning on the west side moving to the main American Eagle Pit. View Exhibit 1 Current topography.

The post mining contours of the push back will be reclaimed to a 3:1 along the north and south highwall of the east end of the pit, with exposed highwalls along the main part of the pit (refer to Exhibit 4).

6. ARSD 74:29:02:04(5) – Stability analysis of the American Eagle pushback high walls.

Refer to the document, A Slope Stability Analysis of the Trojan Pit-An Update for the Deep Portland, The American Eagle and South Wall of the Trojan Pit, by Charles A. Kliche, PhD, P.E., dated April 2007.

7. ARSD 74:29:02:04(6) – Blasting procedures in the pushback of the American Eagle pit.

Reference the Revised Clinton Project Mine Permit Application, December 1997, Section 3.9.3 Blasting (page 120).

8. ARSD 74:20:02:05 – Narrative of plan for future exploration and mining in the American Eagle push back area.

Future exploration and mine plans in the American Eagle pushback area are dependent upon the economical feasibility, primarily and directly associated with the price of gold. If gold stays stable at the current price or higher, it is possible that additional exploration drilling could be warranted, which could result in further mining of this area.

9. ARSD 74:29:02)06 – Archaeological survey of American Eagle push back area.

Reference the Revised Application for Mine Permit 464, December 1997, Section 3.8 – Cultural Resources (page 111) and Appendix I, Volume III – Cultural Resources for the reports and summaries of the archaeological surveys conducted within the area.

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10. SDCL 45-6B-7(9), ARSD 74:29:02:07, ARSD 74:29:02:11, and ARSD 74:29:07:08 – Baseline water quality data, geologic cross sections, surface inventory map, well location map, potentiometric surface map, surface and ground water monitoring plan, meteorological plan, spill contingency plan, estimate of project water requirements, chemical characteristics of process solution, surface and ground water permits, water rights permits.

Reference the following:

Revised Application for Mine Permit 464, December 1997, Section 3.1 – General Geology and Depositional Environment (page 19) and the enclosed Exhibits 11 and 12.

Revised Application for Mine Permit 464, December 1997, Section 3.3.1 – Proposed Ground Water Monitoring Program (page 80), Section 3.2 Ground Water Quality (page 81) and Appendix 2, Volume 2 - Ground Water Characterization Study;

Revised Application for Mine Permit 464, December 1997, Section 3.4.1 - Proposed Surface Water Monitoring Program (page 85), Section 3.4.2 – Surface Water Quality (page 85), Section 3.4.3 – Spring Survey (page 86) and Appendix 3, Volume 2 – Surface Water Hydrologic Characteristics and Figure 3-6.1 - Groundwater, Surface Water and Aquatic Monitoring Site Map, Figure 3.6.2 - Spring Site Location Map and Figure 3-13 - Potentiometric Surface Map

March 6, 2007 Title V Air Quality Permit # 28.1155-09

Wharf Resources (U.S.A.), Inc. Spill Contingency Plan (Spill Prevention Control and Counter Measure Plan), prepared February 16, 1997, and submitted to the South Dakota Department of Environment and Natural Resources, Surface Water Quality Program. The Plan is updated annually with the last updates submitted to the Surface Water Quality Program in December 2006.

Revised Application for Mine Permit 464, December 1997, Section 5.9 Project Water Requirements (page 162)

Revised Application for Mine Permit 464, December 1997, Section 5.8 Process Solutions (page 160), and the Pre-Neutralization Sample Analyses and the Plant Leach Solution Analyses (LDCRS Reports) submitted to the Mining and Minerals and Ground Water Quality Programs since 1998.

Surface Water Discharge Permit No. SD0025852

Ross Valley Ground Water Discharge Permit 1-88, Reliance Ground Water Discharge Permit 1-94 and Juno/Foley Ground Water Discharge Permit 1-98

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Water Permit No. 1667-1, Water Right No. 1437-1 and Water Right No. 1173-1, Water Right No. 1346-1, Water Right No. 1365-1, Water Right No. 1206A-1, Water Right No. 1493-1

11. ARSD 74:29:02:12(2) –Maps submitted in the permit amendment application and any additional maps need to be signed by the person preparing maps.

The maps in the permit application and any additional maps have been signed by the person preparing the maps.

12. SDCL 45-6B-44, SDCL 45-6B-45, ARSD 74:29:06:02, ARSD 74:20:07:01, and ARSD 74:29:07:20 – General requirements for determination of reclamation type.

We (Wharf Resources) are the adjacent land owners (see Exhibit 9) except for where shown on Exhibit 9 (USFS land and BLM land).

13. ARSD 74:29:07:02 – Minimizing adverse impacts in the American Eagle push back area.

Only land planned for mining, proposed topsoil stockpile and low grade stockpile will be disturbed in the American Eagle pushback. Trees located outside of these areas will remain where possible to help screen any mining activity. The access into the pit will be from the east side of the American Eagle Pit. Waste rock moved from the pit will be used either in the pit or Deep Portland, or American Eagle Pit to enhance final reclamation each of these areas. Normal and current measures already in practice will be continued to minimize harmful impacts to wildlife. Current mine planning and operational procedures will continue to maintain efficient mining practices, minimize unnecessary disturbance and coordinate mining activity with good quality reclamation.

14. SDCL 45-6B-37, ARSD 74:29:07:03 and ARSD 74:29:07:04 – Grading and backfilling of the American Eagle push back.

Backfilling of the pit will be completed using current and normal procedures. Equipment will range from 777 Haul Trucks, blades, dozers, and various pieces of small equipment. Slopes will be graded to a 3:1 slope unless noted as areas of angle of repose Talus slopes.

Concerning ARDS 74:29:07:04:

(1a. – d.) All reclaimed slopes will be reclaimed to meet the criteria stated in requirements 1a. – d. The reclamation is the same standards that Wharf currently abides with and maintains.

(2.) Wharf will abide with the current sediment erosion control methods that are currently being practiced and are stated in the State Mine Permit No. 464, December 1997, Section 3.4.5 page 89 and Section 5.3.5 page 152 & 153. Locations of

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erosional controls will be determined if necessary during and after reclamation of areas.

(3.) Wharf will continue to practice concurrent reclamation practices; the following is the reclamation timetable.

American Eagle pushback 2012 through 2013

(4.) Reclamation of areas will be completed and constructed so that water accumulation is not allowed unless otherwise granted or approved.

(5.) Wharf will preserve as much original drainage that is possible.

(6.) As shown in Exhibit 4 Final Reclamation, The American Eagle pushback area will have areas of highwalls remaining on the main part of the pit. The additional material from the American Eagle push back area will be used to enhance both the main part of the American Eagle Pit and Deep Portland Pit.

(7.) Wharf Resources current reclamation practices comprise of land shaping, rolling topography, rock sculpturing to enhance the final reclamation, this will continue with the American Eagle push back area. The low area of final reclamation in the middle of the American Eagle Pit will have a depression that will collect run-off or meteoric water which can be used for wildlife watering.

15. ARSD 74:29:07:05 – Refuse disposal in American Eagle pushback area.

There will be no refuse disposal in the American Eagle pushback area. Construction and demolition debris disposal is governed by Wharf Resources General Solid Waste Permit No. GPCD 97-22-043, that is effective through January 9, 2012.

16. SDCL 45-6B-39, ARSD 74:29:02:10 and ARSD 74:29:07:06 – Re-vegetation of the American Eagle push back pit.

Reference the Revised Application for Mine Permit 464, December 1997, Section 5.3.1 Site Preparation (page 146), and Section 5.3.3 Soil Salvage Handling Plan (page 148). The final reclamation plan is detailed in Section 6.0 Reclamation Plan (page 164) and the following technical revisions:

May 3, 1999 Revision of Final Seed Mix

June 26, 2001 Expansion of Trojan Pit into the American Eagle Area

November 29, 2005 Modification of Topsoil Placement

April 30, 2007 American Eagle Pushback

17. SDCL 45-6B-7(11), SDCL 45-6B-40 and ARSD 74:29:07:07 – Topsoil salvage and replacement in the American Eagle push back pit

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Reference the Revised Application for State Mine Permit No. 464, December 1997, Section 5.3.3 Soil Salvage Handling Plan (page 148). The replacement of topsoil in the American Eagle Pit will mirror what Wharf is currently practicing in the Trojan Pit. Topsoil that is salvaged from the pushback will be used on all slopes reclaimed and pit floors at a depth of approximately 4"-6".

It is estimated that approximately 400 cubic yards of topsoil are salvageable in the American Eagle pushback area and will be stockpiled either at the Polo topsoil stockpile, along the crest of the high wall of the pushback in berms to be used for reclamation of the area, or at the new designated topsoil stockpile (refer to Exhibit 3). Approximately 30,000 cubic yards are remaining in all existing topsoil stockpiles for the reclamation of other unreclaimed areas of the mine.

18. SDCL 45-6B-41, ARSD 74:29:07:09 and ARSD 74:29:07:10- Surface runoff and intermittent and perennial stream diversions in the American Eagle push back pit area.

Reference the Revised Application for Mine Permit 464, December 1997, Section 3.45, Sedimentation, Erosion and Drainage Control Structures (page 89) and Section 5.3.5 Water Management and Erosion Control during Mining (page 152). There are no intermittent or perennial streams in the push back area that require diversion.

19. ARSD 74:29:07:11 and ARSD 74:29:07:27 – Impoundment in the American Eagle push back pit area.

There will be a seasonal surface water impoundment in the American Eagle pushback area.

20. ARSD 74:29:07:12 – Road in riparian areas, roads that will remain in the American Eagle push back area during final reclamation.

There are no riparian areas in the American Eagle pushback area. Only a track trail will remain in haul road locations after final reclamation to provide access for post closure maintenance.

21. ARSD 74:29:07:13 – Remaining buildings and other structures.

No buildings or structures are located within or will remain within the area affected by the permit amendment.

22. SDCL 45-6B-43 and ARSD 74:29:07:14 – Waste rock and spent ore disposal in American Eagle push back, American Eagle and Deep Portland pits.

Approximately 1 MT of ore and 3.5 MT of waste will be mined. The 3 MT of waste will be distributed within the pushback area, American Eagle and Deep Portland.

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Spent ore deposit within this area is not planned at this time but may be added if a Ground Water Discharge Permit is granted (proposed to be submitted Summer 2010). If the GWDP is granted additional spent ore will be deposited in the pushback area to provide greater backfill and reclamation of this area.

Concerning section 1-4 of ARSD 74:29:07:14:

All surface areas of the affected land, including spoil piles, are stabilized and seeded as soon as practicable to control erosion and attendant air and water pollution. Management of noxious weeds throughout the property is an annual program. The appropriate herbicides are applied to noxious weeds in the spring/early summer, with a second and touch-up application generally occurring in the fall.

- 1) No spoil is being located where it will block ephemeral, intermittent or perennial drainages.
- 2) The spoil or overburden will be used as backfill in previously mined pits, and as such, will not pose stability problems.
- 3) Overburden from the current American Eagle has previously been used as backfill in mined areas of the Deep Portland and Trojan Pits and has not affected ground water quality.

Overburden from the push back of American Eagle Pit will be porphyry material. Although unexpected, should lower Deadwood material be encountered, Wharf will follow the approved Rock Management Plan dated September 3, 2002 for testing and mitigation of any suspect material. Please refer to ARD Quarterly Reports beginning in 2007 through the present for reference on ARD information in the American Eagle Pit, to date no porphyry ore has shown to have ARD potential.

23. ARSD 74:29:07:15 – Noxious weed control in the American Eagle push back pit.

Reference the Revised Application for Mine Permit No. 464, December 1997, Section 6.6 Weed Control (page 177)

24. SDCL 45-6B-42 and ARSD 74:29:07:16 – Subsidence in the American Eagle push back pit.

No subsidence is expected due to the nature of the rock being the same as what was mined in the Foley, Portland, and Trojan Pits where no failure or subsidence occurred. All normal procedures and practices will continue to assure that minimal or no subsidence will occur.

25. SDCL 45-6B-8, SDCL 45-6B-9 and ARSD 74:29:07:17 – Underground and pre-1971 mining areas within the American Eagle push back area.

There is no historic data indicating of any pre-1971 mining of this area. If any open adit/shaft/drift is encountered in a highwall it will be immediately backfilled and closed off.

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26. ARSD 74:29:08 – Concurrent and interim reclamation plans for the American Eagle push back area.

The current and interim reclamation plan for the American Eagle pushback area is to reclaim the north half first and work towards the south as mining progresses. Waste from this pit (~3 MT) will be used in the reclamation. Once an area has been sloped to final (3:1), it will be top soiled and hydro-seeded. The hydro-seeding will generally be completed for each area in the fall of the year after final grading and top soiling has occurred. Catch benches that are wider than 25' and are accessible to place topsoil will have topsoil place and the area seeded.

27. SDCL 45-6B-7(2)(3)(4) – Soil, vegetative and wildlife surveys for the American Eagle push back area.

Reference the Revised Application for State Mine Permit No. 464, December 1997, Section 3.2 Soils (page 75), Section 3.6 Vegetation (page 94) and Section 3.7 Wildlife (page 100). The complete baseline reports can be found in Volume II of the Revised Application for State Mine Permit No. 464, December 1997, with the Soils Report located in Appendix 1, the Vegetation Inventories in Appendix 5 and the Wildlife Reports in Appendix 6.

28. SDCL 45-6B-7(7) – Description of how reclamation plan will rehabilitate land in the American Eagle push back area.

The final reclamation plan for the push back area will have 3:1 slopes with a broad gently rolling nature. These slopes will be hydro-seeded with the current permitted seed mixture (currently used in the American Eagle Pit) and the areas will serve as excellent grazing and loafing areas for livestock and wildlife. Select areas of the Pit (south and north highwalls) will remain with exposed highwalls due to timing of mining and material being used for backfill in the American Eagle, Trojan and Deep Portland Pit to enhance the final reclamation of these areas.

30. SDCL 45-6B-10(6) – Map or statement indicating soil type, thickness, and distribution.

Reference the Revised Application for State Mine Permit No. 464, December 1997, Section 3.2 Soils (page 75) and Section 5.4.4 Soil Salvage Handling Plan (page 148).

31. SDCL 45-6B-46 – Reclamation timetable, planting not required under certain conditions.

This area is planned for final reclamation during the end of 2012 and into 2013.

In addition, as discussed during the 2005 DENR Audit of Wharf Resources and witnessed in the field, erosion and sloughing are filling the pit benches and

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eventually covering the established vegetation. A technical revision was submitted on November 4 and approved on November 29, 2005, to modify the placement of topsoil on the remaining Trojan catch-benches. The justification for approving the 2005 technical revision remains valid for the pit benches in the American Eagle push back.

- 1) There is a limited amount of topsoil for final reclamation.
- 2) Due to equipment and space constraints, the depth of topsoil on the pit benches is hard to control and more topsoil is placed than desired, wasting valuable topsoil.
- 3) While the high walls are stable, raveling does occur and will eventually cover the topsoil and vegetation, again wasting a valuable resource.

32. SDCL 45-6B-7(5), SDCL 45-6B-33.3 and ARSD 74:29:10 – Special, Exceptional, Critical or Unique Land analysis for the American Eagle push back area.

There are no known lands of historic, archaeological, geologic, scientific or recreational significance in the affected area of the permit amendment. The land located within the boundaries of Mine Permit No. 464 was cleared in January 1993. The Revised Application for Mine Permit No. 464, December 1997, was submitted within the seven-year period allowed by ARSD 75:29:10:15. As the land affected by the current permit amendment is within the previously cleared permit boundaries, the clearance remains in effect.

33. SDCL 45-6B-32 and SDCL 45-6B-33 – Application is in compliance with law, unsuitable land.

The land affected by the permit amendment is an extension of an existing pit and has been determined to be suitable for mining. The application for the permit amendment is complete and in compliance with the applicable regulations.

SDCL 45-6B-32

- 1) The application is complete and surety will be posted upon approval of the permit amendment.
- 2) The required fee has been paid.
- 3) The proposed mining operation, reclamation program and future use is in compliance with the laws and regulation of South Dakota.
- 4) The mining operation will not adversely affect the stability of any significant, valuable and permanent man-made structures located within 200 feet of the affected land.
- 5) The mining operation is not in violation of any county zoning or subdivision regulation.
- 6) The proposed mining operation and reclamation can be carried out in conformance with the requirements of 45-6B-35, which requires compliance with 45-6B-36 through 45-6B-46.

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- a) 45-6B-36 – Wharf shall continue to submit an annual report depicting any disturbance and reclamation of affected land, with the annual fee of one hundred dollars for each active permit.
 - b) 45-6B-37 – Grading will be appropriate with the post mine land use and the approved post mine land contours.
 - c) 45-6B-38 – Most refuse is disposed of by a contract garbage service. Items permitted by Wharf's Rubble Permit are buried and covered in approved areas and inspected annually. Refuse is not allowed to accumulate and create unsightliness, unproductive areas or water pollution.
 - d) 45-6B-39 – The re-vegetation plan was approved by the operator (Wharf Resources), the local conservation district (Tom Quinn, District Conservationist) and the landowner (Wharf Resources) to provide a diverse, effective and long-lasting vegetative plan.
 - e) 45-6B-40 – Topsoil and appropriate subsoils from the affected area will be stripped and stockpiled prior to removing the overburden. The topsoil stockpile will be seeded to preserve the soil from wind and water erosion.
 - f) 45-6B-41 – No disturbance to the hydrologic balance of the affected and surrounding land is expected during mining or after reclamation.
 - g) 45-6B-42 – Any remaining highwalls will be adequately fenced and posted with warning signs.
 - h) 45-6B-43 – A noxious weed management program is conducted annually on all areas of the mine site.
 - i) 45-6B-44 – A copy of the proposed reclamation plan was submitted to adjacent landowners by certified mail/return receipt requested, with return receipts submitted to the Department.
 - j) 45-6B-45 – Wharf's choice of reclamation has and continues to be woodland grazing.
 - k) 45-6B-46 – Other than pit benches, all affected areas will be reclaimed within five years after the mine enters a period of inactivity. Other than the public easement accessing the land to the north, all interior roads will be reclaimed to two-track trails.
- 7) The operator currently is in substantial compliance with the provisions of the Mined Land Reclamation Law. In water where nitrate or selenium has exceeded the surface or ground water standard, a biological treatment program has been proven successful. All areas to be treated have been identified with an appropriate timetable provided for the completion of remediation.
- 8) The land is not unsuitable for mining as determined by 45-6B-33.

SDCL 45-6B-33

- 1) Reclamation of the affected land is physically and economically feasible. In fact, the pushback of the American Eagle will generate additional overburden to backfill the Portland and main part of the American Eagle Pit to more aesthetically pleasing contours.
- 2) The American Eagle pushback will not result in the disposition of sediment in stream or lake beds, landslides or water pollution.

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- 3) The land to be affected does not include land that is special exceptional, critical or unique as determined by the state in 1993, prior to permitting the expansion area in 1998. Reference Mine Expansion Permit Application, December 1997, Section 2.3 Determination of Special, Exceptional, Critical or Unique Lands (page 17).
 - 4) The proposed pushback will not result in the loss or reduction of long-range productivity of aquifer, public and domestic water wells, watershed lands, aquifer recharge areas or significant agricultural areas. Reference Mine Expansion Permit Application, December 1997, Section 3.3 Ground Water (page 76) and Section 3.4 Surface Water (page 83), and Volume I, Appendix 3, Figures 3-13 Potentiometric Surface Map and 1-15 One Mile Offset of Permit Boundary with Water Wells. The complete hydrology reports can be found Volume II, Appendix 2, Ground Water Characterization Study and Appendix 3, Surface Water Hydrologic Characteristics prepared by Montgomery Watson.
 - 5) As there are no threatened or endangered species of wildlife within the permit boundary, the temporary loss of biological productivity of the land will not jeopardize the wildlife indigenous to the area. Reference Mine Expansion Permit Application, December 1997, Section 3.7.8 Species of State and Federal Interest (page 106).
 - 6) As there will be no changes to the socioeconomic impacts of the Wharf mining operation, the proposed permit amendment will not change the conclusion of the original assessment of the operation. Reference Mine Expansion Permit Application, December 1997, Section 4.0 Socioeconomic Assessment (page 128).
33. SDCL 45-6B-91 – Will the American Eagle area be covered under the current post closure plan or will any changes be required

Should the American Eagle Permit Amendment be approved, the post closure plan will be updated to reflect the changes.

34. SDCL 45-6B-92 – Critical resources in American Eagle push back area.

The land within the proposed permit amendment does not possess critical resources or features as defined by SDCL 45-6B-92 that will be affected by the mining operations or reclamation of the affected land.

Each section of the statute:

- 1) Wildlife – Reference Mine Expansion Permit Application, December 1997, Section 3.7 Wildlife (page 100).
- 2) Aquatic Resources – No cold water fish life propagation waters are within the area of the pushback or will be affected by the Permit Amendment.
- 3) Vegetation – Reference the Mine Expansion Permit Application, December 1997, Section 3.6 Vegetation (page 94).

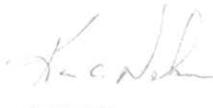
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- 4) Water – No direct or indirect sources of drinking water are in close proximity to the pushback area or will be affected by the Permit Amendment. Reference Mine Expansion Permit Application, December 1997, , Volume I, Appendix 3, Figure 1-15 One Mile Offset of Permit Boundary with Water Wells.
- 5) Visual resources – Reference Mine Expansion Permit Application, December 1997, Section 3.10 Visual Assessment (page 123).
- 6) Soils – Reference Mine Expansion Permit Application, December 1997, Section 3.2 Soils (page 75).
- 7) Cultural Resources – Reference Mine Expansion Permit Application, December 1997, Section 3.8 Cultural Resources (page 111).
- 8) Air Quality – Reference Mine Expansion Permit Application, December 1998, Section 3.5 Air Quality (page 89).
- 9) Noise – Reference Mine Expansion Permit Application, December 1998, Section 3.4 Air Quality (page 89) and Section 4.0 Socioeconomic Assessment (page 128).
- 10) Lands designated as Special, Exceptional, Critical or Unique – Reference the Mine Expansion Permit Application, December 1997, Section 2.3 Determination of Special, Exceptional, Critical or Unique Lands (page 17).

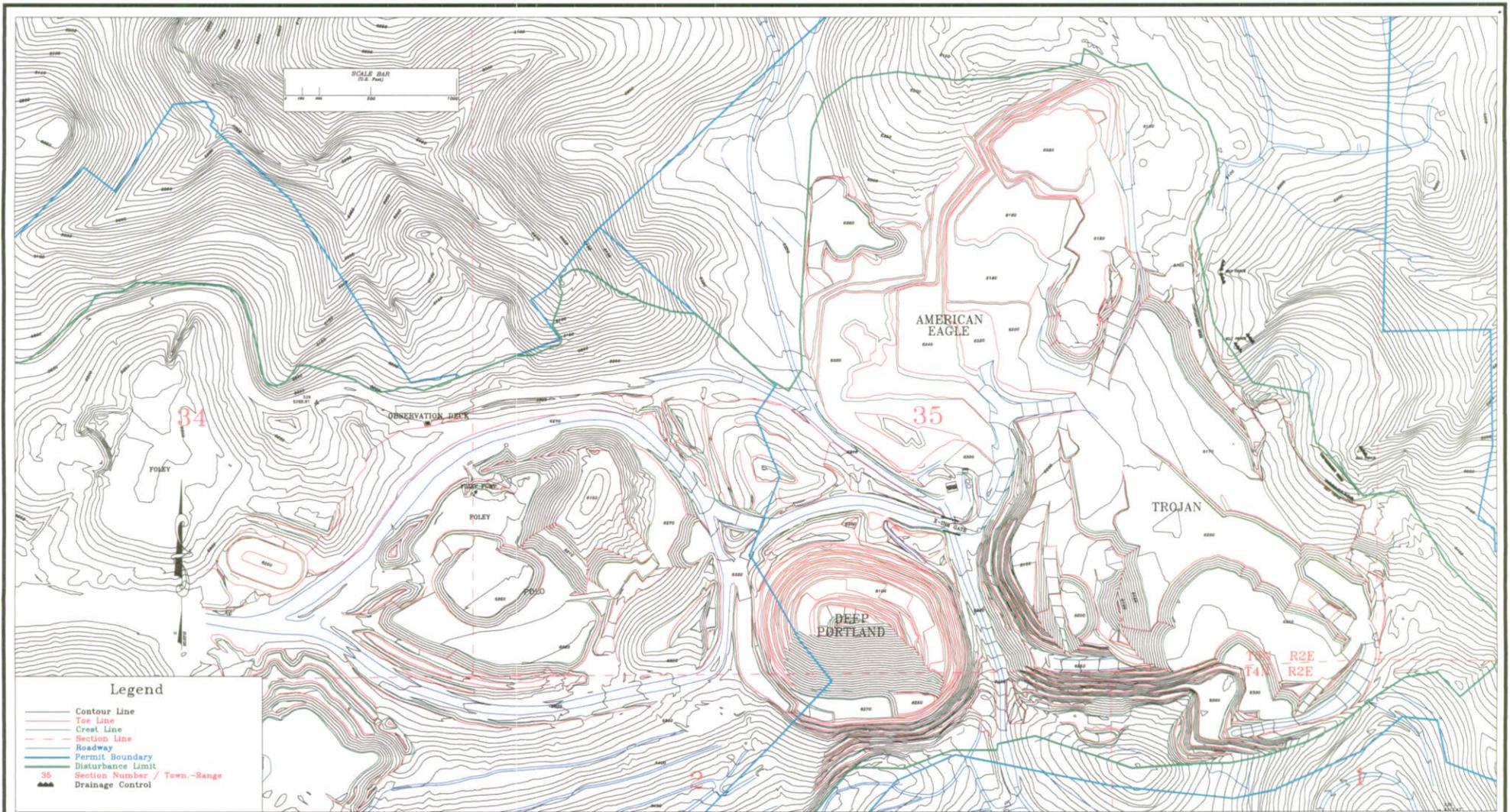
Please contact me if you have any questions.

Sincerely,



Ken Nelson
Operations Manager
Wharf Resources

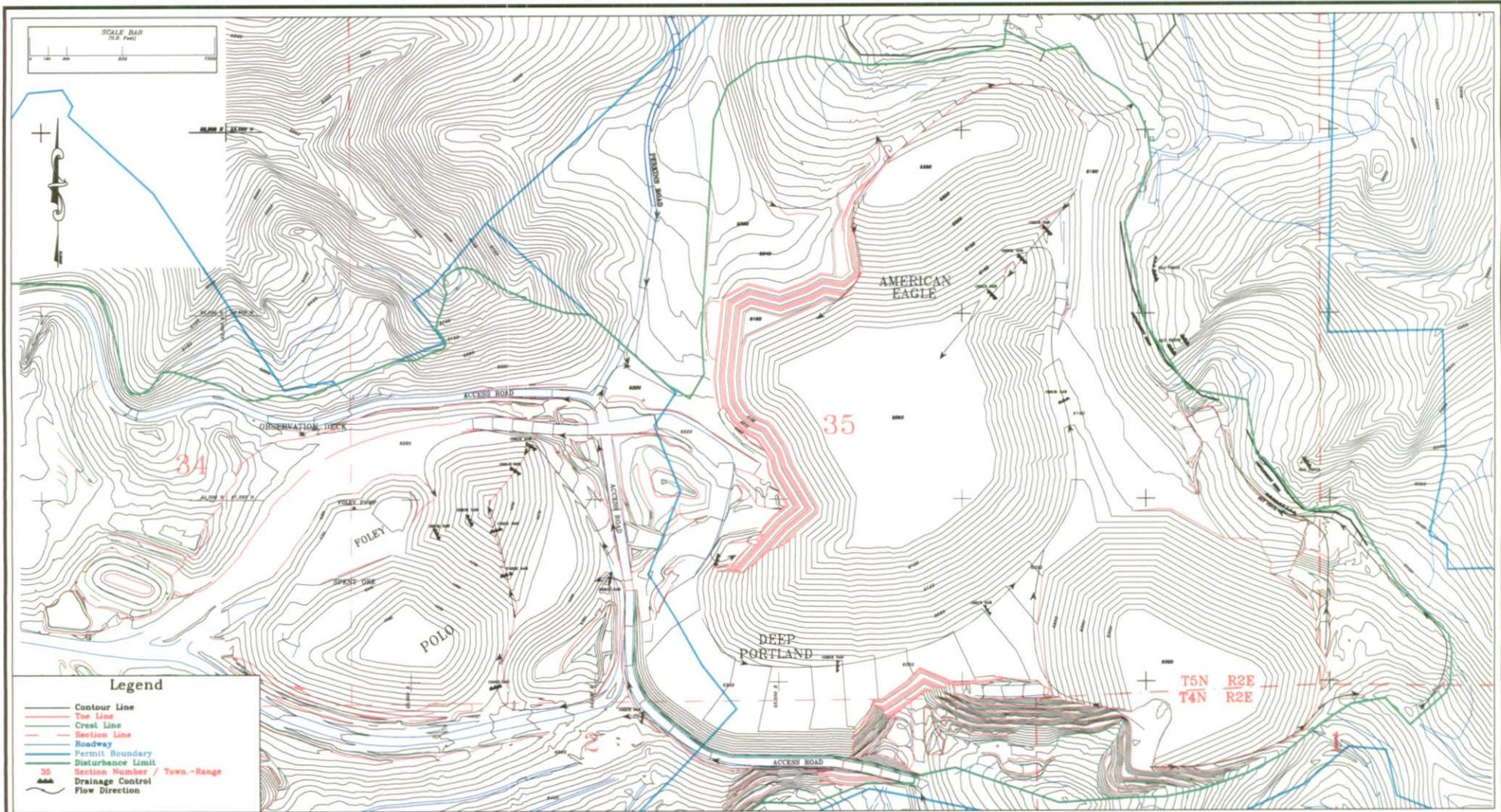
Enclosed drawings/designs for viewing:
Exhibit 1 – Trojan / American Eagle Current Status
Exhibit 2 – Current Reclamation Plan
Exhibit 3 – American Eagle Layback
Exhibit 4 – Final Reclamation Plan
Exhibit 5 – Cross Section D – D'
Exhibit 6 – Cross Section C - C'
Exhibit 7 – Cross Section A - A'
Exhibit 8 – Cross Section B – B'
Exhibit 9 – Impacted Lands




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EXHIBIT 1
TROJAN/AMERICAN EAGLE
CURRENT STATUS

DATE: 6/12/2009
 DRAWN BY: TCA
 Revised: 11/14/09

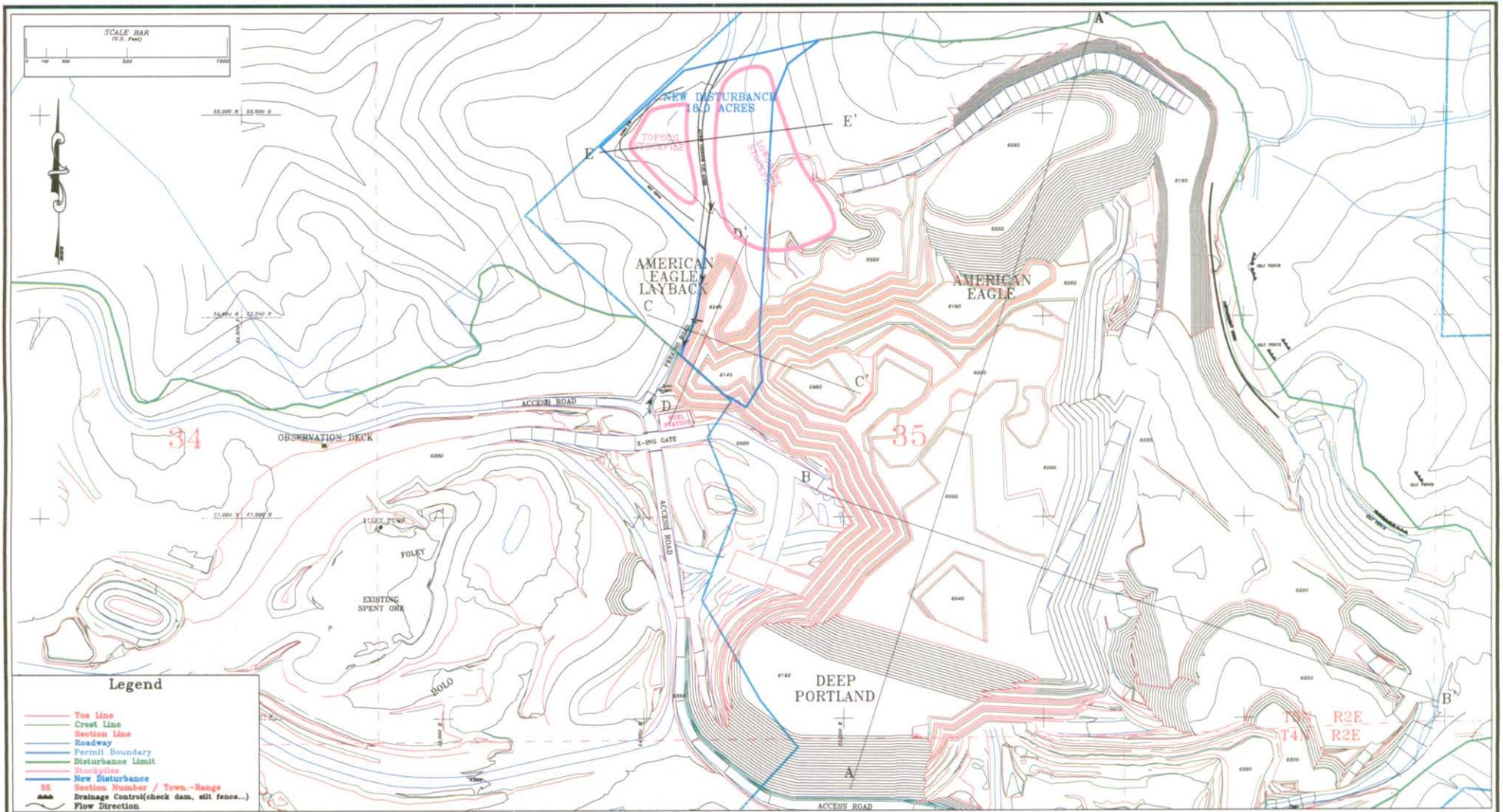



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EXHIBIT 2
CURRENT RECLAMATION PLAN
GENERAL ARRANGEMENT

DATE: 6/12/2009
 DRAWN BY: TCA
 Revised: 11/16/09

TCA

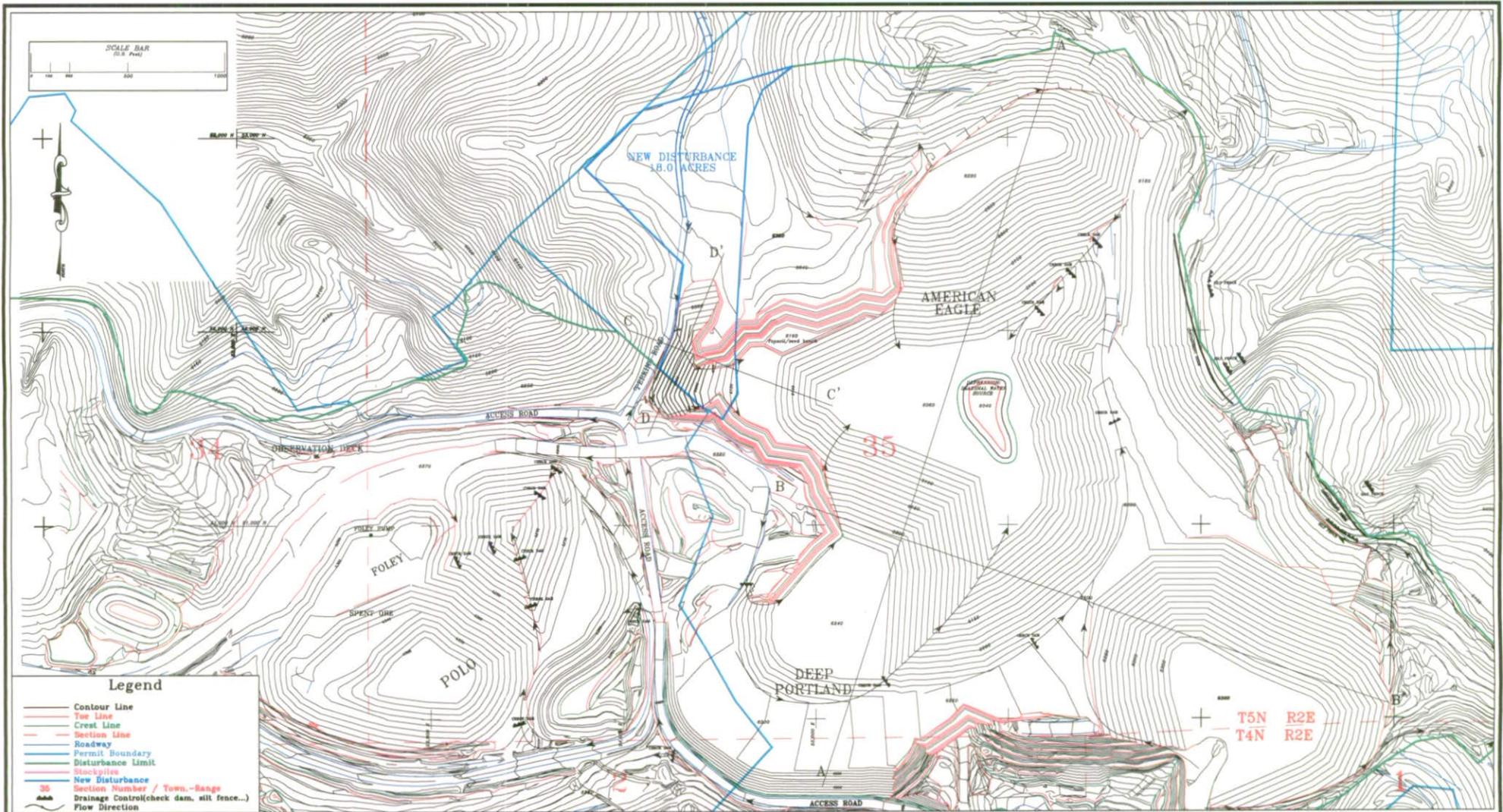



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EXHIBIT 3
AMERICAN EAGLE
LAYBACK DESIGN

DATE: 6/12/2009
 DRAWN BY: TCA
 Revised: 1/18/10

TCA



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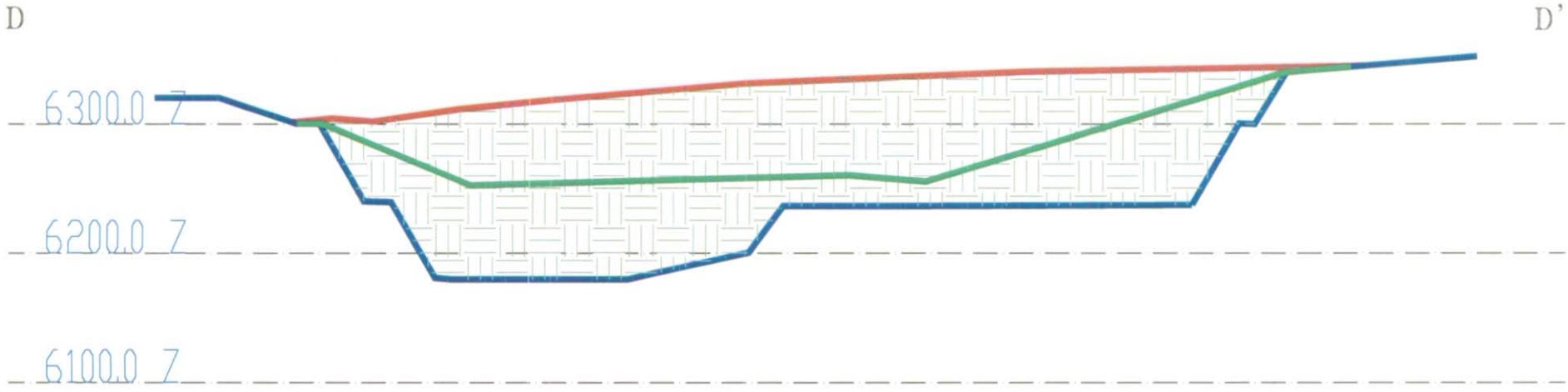


EXHIBIT 4
FINAL RECLAMATION PLAN

DATE: 6/12/2009
 DRAWN BY: TCA
 Revised: 11/30/09

TCA

SCALE BAR
(U.S. Feet)



Legend

- Porphyry
- Int. Shale
- Deadwood Formation
- Waste Fill Material
- Final Pit Outline
- Current Outline
- Reclaimed Outline

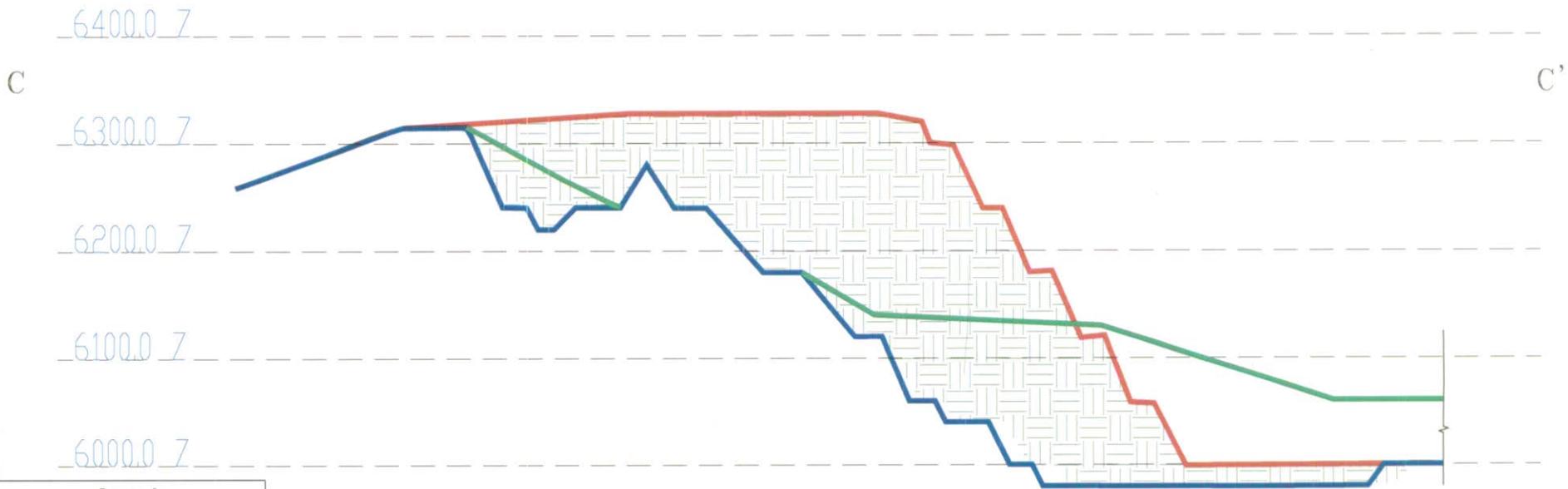


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EXHIBIT 5
 CROSS SECTION D - D
 AMERICAN EAGLE LAYBACK

DATE: 6/12/2009
 DRAWN BY: TCA
 Revised: 1/18/10

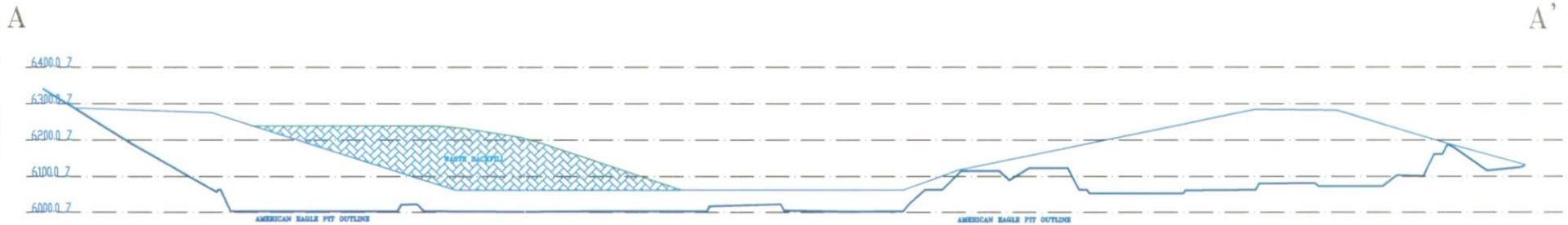
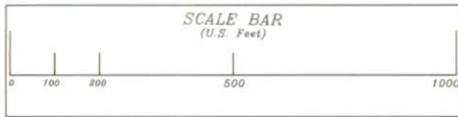
TCA



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EXHIBIT 6
 CROSS SECTION C - C
 AMERICAN EAGLE LAYBACK

DATE: 6/12/2009
 DRAWN BY: TCA
 Revised: 1/18/10
 TCA



Legend

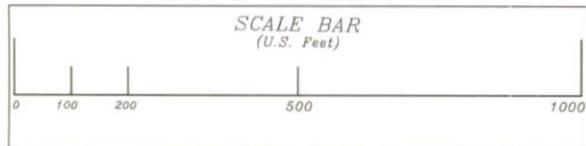
	Waste Fill Material
	Final Pit Outline
	Reclaimed after Am. Eagle
	Final Reclaim Outline



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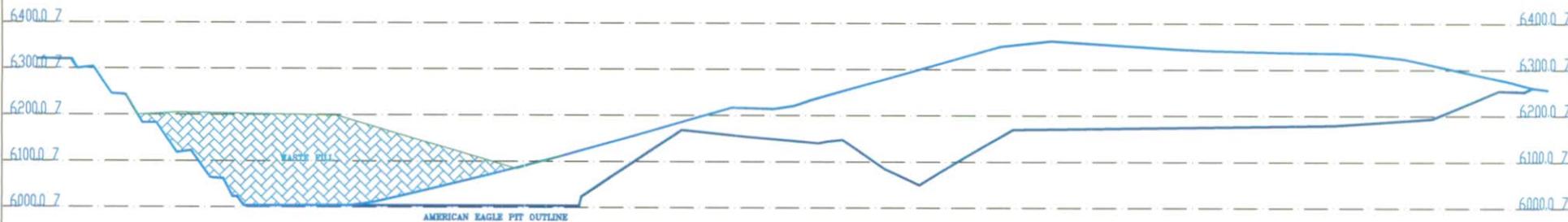
EXHIBIT 7
 CROSS SECTION A - A
 AMERICAN EAGLE RECLAIMED

DATE: 6/12/2009
 DRAWN BY: TCA
 Revised: 1/18/10

B

B'



Legend

- Waste Fill Material
- Final Pit Outline
- Reclaimed after Am. Eagle
- Final Reclaim Outline

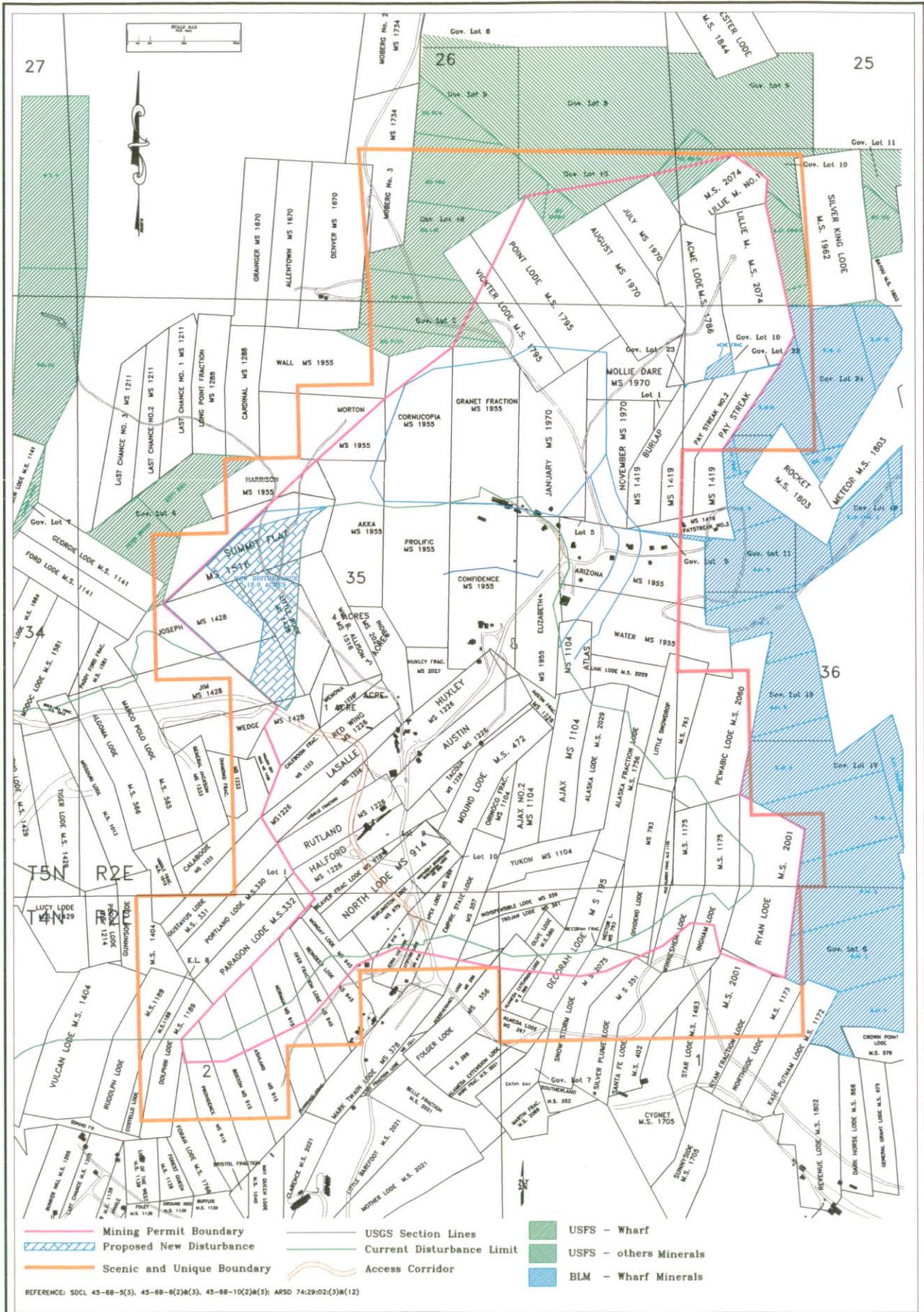


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EXHIBIT 8
 CROSS SECTION B - B
 AMERICAN EAGLE RECLAIMED

DATE: 6/12/2009
 DRAWN BY: TCA
 Revised: 1/18/10

TCA



REFERENCE: SDCL 45-68-5(3), 45-68-6(2)(3), 45-68-10(2)(3); ARSO 74:29:02(3)(12)

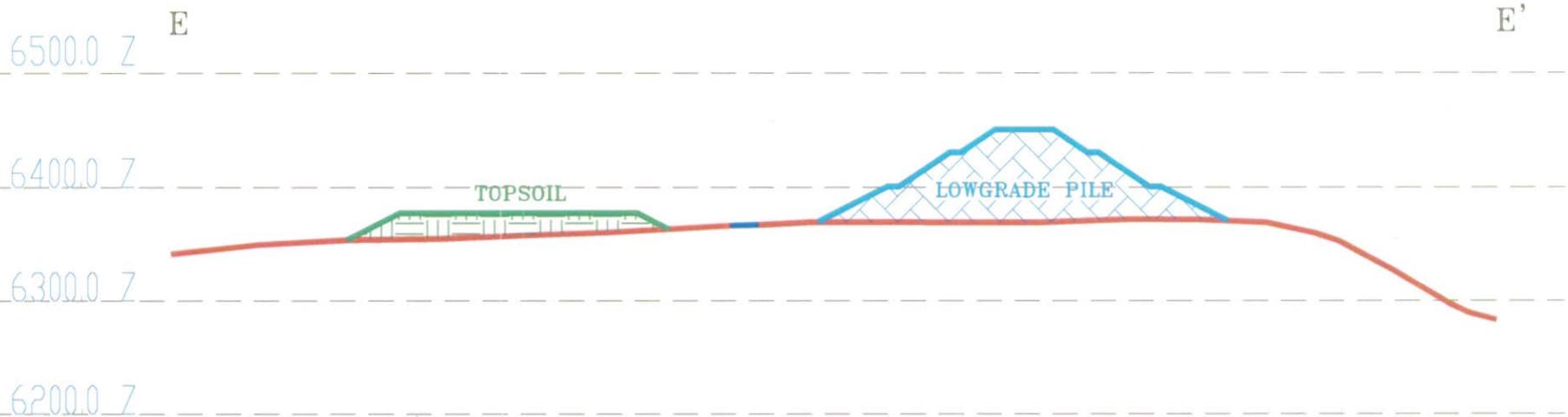


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EXHIBIT 9
 IMPACTED LANDS

DATE: 6/16/09
 UPDATE BY: TA
 Revised: 11/13/09

7-1-1



Legend

- Topsoil Stockpile
- Lowgrade Stockpile
- Current Outline
- Road

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EXHIBIT 10
CROSS SECTION E - E'

POSSIBLE STOCKPILE CONFIGURATION

DATE: 11/30/2009
 DRAWN BY: TCA

TCA

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January 19, 2010

Michael Lees
Senior Hydrologist
DENR-Minerals and Mining Program
Joe Foss Building
523 East Capitol
Pierre, SD 57501

Re: Reply on comments submitted December 23, 2009 concerning the Amendment to State Mine Permit No. 464 for an increase of more than twenty (20) percent of contiguous affected land within the permit area

Dear Mike:

Comments that you have asked for concerning the Amendment to State Mine Permit No. 464 are listed below following each comment.

Procedural Completeness Comments

1. ARSD 74:29:03:05(1): Wharf needs to submit a copy of the July 22, 2009 permit amendment application, the additional information requested in the August 7, 2009 letter, and the additional information requested in this letter to the Lawrence County Register of Deeds, and forward proof of submission to the department.

Permit application and DENR additional comment requests information is attached, proof of receipt proof from Lawrence County Register of Deeds will be forward once received.

2. SDCL 45-6B-6(8), SDCL 45-6B-6(9), and ARSD 74:29:02:04: Please submit a narrative description of proposed pit depth and the size of the area to be worked at any one time in the proposed amendment area.

The largest area that would be mined at any one time during a month is approximately 8 acres at a 20' depth. This represents approximately the full area of the additional pit area that is planned to be disturbed. The eight acre area at a 20' depth amounts to approximately 500,000 tons of material being mined.

3. ARSD 74:29:03:03(10): Wharf will need to submit the proof of consultation with adjacent landowners (USFS and BLM).

Attached if proof of consultation with BLM and US Forest Service by US Postal Service Certified Mail Receipt.

4. ARSD 74:29:03:03(11): Consultation letters from the Department of Game, Fish, and Parks and the local conservation district must be submitted before the application can be considered complete.

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The local conservation district representative has been contacted to submit a consultation letter. Game and Fish has submitted.

Technical Comments

1. Under the narrative description of the amendment being proposed, you outline the expansion as 18 acres of additional affected land, and qualify this area as not inclusive of the Perkins Road. The area of new disturbance outlined on Exhibit 3 is 18 acres (this includes the portion of Perkins Road transecting the area of new disturbance. You need to change the narrative description of the expansion acreage from 18 acres to 17.44 acres if you don't want to include the road as part of your area of new disturbance.

Attached is a revised map showing the revised acreage of 18 acres of new disturbance (not including the Perkins Road). The narrative of the Permit Amendment has been changed to reflect this also.

2. Item 19 of Procedural Information states that there will be a surface water impoundment in the American Eagle Pushback area, but fails to address slope stability, wildlife protection, and potential sources of contamination pursuant to ARSD 74:29:07:27 (3) and (4).

There will be no water impoundment in American Eagle Pushback area. The impoundment needs to be disregarded on Exhibit 4, this plan was conceptual and will not be used.

3. Item 33 of Procedural Information, paragraph i) under 6) states that the return receipts for the certified mailing of the reclamation plan to adjacent landowners were submitted to the department. The receipts have not yet been received by the department.

Copies of the receipts are included.

4. Please either correct or remove the vantage designations (e.g., "looking northwest") from the titles of Exhibits 5 through 8.

Exhibit 5 - 8 have been modified to reflect request.

5. Please include an estimate of the topsoil needed to apply a 4 to 6 inch layer over the remaining unreclaimed areas (including the amendment area) of the mine to ensure that there is adequate salvaged topsoil and whether any amended topsoil will be needed.

The updated estimate as of January 1, 2010 for mine reclamation is as follows and includes the American Eagle Pushback (Permit Amendment area):

Total acreage estimate remaining to be reclaimed Jan. 1, 2010 = 452 acres

Total Remaining Topsoil Stockpiles = 335,765 yd³

Sufficient Topsoil to reclaim all areas @ 5.5" depth

Each of the above-listed procedural completeness comments must be addressed before we can consider your amendment application complete. In lieu of submitting a third revised document, please merely submit a letter (and attachments, as necessary) addressing only the specific

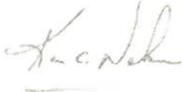
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information items mentioned above. Our review of the amendment application material is ongoing. We will forward additional comments and requests for information as deemed necessary.

Should you have any questions regarding these comments, please contact the Minerals and Mining Program at (605) 773-4201.

Sincerely,



Ken Nelson
Operations Manager
Wharf Resources
Lead, SD 57754
(605)584-4177
ken.nelson@goldcorp.com