

LAC Minerals (USA) LLC

Richmond Hill Mine



LAC

11457 Bobtail Gulch Street
Central City, SD 57754

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MINERALS & MINING PROGRAM

July 8, 2015

Mr. Rexford Hagg, Chairman
South Dakota Board of Minerals and Environment
c/o Mr. Mike Cepak, P.E.
South Dakota Department of Environment and Natural Resources
523 East Capital/Joe Foss Building
Pierre, South Dakota 57501-3181

Re: Request to Board of Mineral and Environment to Retain Water Management Facilities and Access Roads, Surface Mine Permit No. 445, Richmond Hill Mine, Lead, South Dakota

Dear Mr. Hagg:

LAC Minerals (USA) LLC (LAC Minerals) is submitting this request for release of reclamation obligations for roads, buildings and structures needed for water management within the Richmond Hill Surface Mine Permit No. 445 (SMP No. 445) boundaries during the postclosure period. The Request to Retain the Water Management Access Roads and Buildings is made in accordance with ARSD 74:29:07:12(10) and ARSD 74:29:07:13.

Per ARSD 74:29:07:12(10), a road may be permitted to remain unreclaimed if the surface landowner has requested that the road remain unreclaimed and agrees to be responsible for future maintenance. Roads included in this request are those needed to access water quality monitoring stations and water management facilities during the postclosure period. The roads include the Richmond Hill Access Road, Main Haul Road, Carbonate Road, Spearfish Fire Trail, Rubicon Gulch Access Road, Limestone Quarry Road and Water Management Roads in the former Process, Spruce Gulch and South Gulch areas. With the exceptions of the Richmond Hill Access Road, Main Haul Road, Carbonate Road, Spearfish Fire Trail, Rubicon Gulch Access Road and Limestone Quarry Road, all roads will be reclaimed after water management activities are completed.

The Richmond Hill Access Road, the Rubicon Gulch Access Road through the process area, the Carbonate Road along the southwestern edge of the process area and the Spearfish Fire Trail along the southeastern edge of the process area

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will remain after water management activities are completed. These roads will have long-term functional use for access to private residences and US Forest Service lands north and west of the mine and for fire control. The southern portion of the Haul Road will be realigned along the original Carbonate Road to the west or the Haul Road will be transferred to an interested third party who will assume responsibility and liability for the road. If realigned, the Haul Road will be fully reclaimed and if transferred, the footprint will be reduced to a 26-foot wide right-of-way. The Limestone Quarry access road will remain in place, as permitted under Technical Revision 40 to Mine Permit No. 445, to allow for future excavation and study of the paleontological fossils.

Per ARSD 74:29:07:13, all buildings and structures constructed, used, or improved by the operator must be dismantled and removed unless it can be demonstrated to the Board's satisfaction that they will be consistent with the approved post-mining land use. Buildings and structures included in the request are the Maintenance, Storage, Geo and Water Management facilities in the former Process, Spruce Gulch and South Gulch areas including the Water Treatment Plant. These buildings and structures are necessary to house the water management systems and to store associated maintenance equipment and supplies for the postclosure period.

Please note that this request is referenced in the Petition for Release of Reclamation Obligations, Surface Mine Permit Nos. 445 and 460 (the Petition). LAC Minerals is concurrently submitting with this letter, a comprehensive package containing copies of the following documents for the Board's approval:

- Petition for Release of Reclamation Obligations for Permits Surface Mine Permits Nos. 445 and 460, Richmond Hill Mine, Surface Mine Permit Nos. 445 and 460, Central City, South Dakota;
- Postclosure Plan and Financial Assurance Cost Estimate, Richmond Hill Mine, Surface Mine Permit Nos. 445 and 460, Central City, South Dakota;
- Updated Reclamation Plan for Surface Mine Permits 445 and 460, Richmond Hill Mine, Surface Mine Permit Nos. 445 and 460, Central City, South Dakota; and
- Letter Request to Board of Mineral and Environment to Extend Reclamation Period, Surface Mine Permit No. 445, Richmond Hill Mine, Lead, South Dakota.

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Please contact me at (605) 722-4875 should you have any questions or need further information pertaining to this matter.

Sincerely,

A handwritten signature in black ink that reads "Todd A. Duex". The signature is written in a cursive style with a large, prominent "D" at the end.

Todd A. Duex
Closure Manager
LAC Minerals (USA) LLC
11457 Bobtail Gulch Street
Central City, SD 57754

cc: Mark Tieszen, LAC Minerals (USA) LLC
Mr. Mike Cepak, DENR