

Kennecott Eagle Minerals
504 Spruce Street
Ishpeming, MI 49849
T 906-486-1257
F 906-486-1053

May 17, 2012

Mr. Joe Maki
Michigan Department of Environmental Quality
420 5th Street
Gwinn, MI 49841

Dear Mr. Maki:

Subject: **Request for Amendment, Nonferrous Metallic Mineral Mining Permit
MP012010, Kennecott Eagle Minerals Company**

In accordance with established procedures within Rio Tinto, and industry best practice, Kennecott Eagle Minerals Company (KEMC) has continued to evaluate its plan for the Humboldt Mill facility to optimize operations once underway and, wherever possible, further improve the environmental controls incorporated into these operations. KEMC's approved mining plan embraces this process, recognizing that changes in the size or location of surface facilities at the site may be necessary once designs and operational needs are finalized.

KEMC has further refined the optimal surface facility layout. The information provided with this letter describes modifications to locations of the surface facilities resulting from this process. Importantly, none of these modifications will increase the overall footprint of the main surface operation – the surface facilities will be built within the existing fence line and within areas studied under KEMC's Environmental Impact Analysis (EIA). Further, these changes will not require any changes to the specific conditions of Mine Permit No. MP012010 itself.

The originally permitted locations of the surface facilities are shown on Figure 3-1 of the mining plan, included in **Attachment 1** to this document. An updated Site Plan depicting certain improvements that have been added or relocated in light of the evaluation process and final design needs has been included in **Attachment 2**.

The surface facilities that have been identified as new compared to the original plan are:

- Area 100 Electrical Building; and,
- Administrative Office Building.

The surface facilities that have been relocated from the original plan are:

- Employee Parking;
- Water Treatment Plant; and,
- Guardhouse.

The Area 100 Electrical Building has been added to due to size limitation with the original design location. The new Electrical Building contains control centers, switchgear, and power distribution panels to serve electrical requirements for the Coarse Ore Storage Building, the

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Secondary Crusher Building, the Transfer Building. This is also the power source for equipment located at the Humboldt Tailings Disposal Facility (HTDF). The building will also house miscellaneous small transformers and panel boards necessary to provide power for the lighting and receptacle circuits.

KEMC will reduce its Marquette County footprint by consolidating its employee offices to a new administrative office building to be located at the Humboldt Mill, rather than to the Eagle mine as previously envisioned (and as previously documented, the Eagle mine administrative building scope was accordingly and substantially reduced). A separate gated entrance from County Road 601 will be built to serve this facility, and all employees and visitors will use this entrance separately from the entrance that serves the ore trucking and materials receiving entrance, thereby increasing safety and organization of traffic at the mill facility. The guardhouse (previously termed 'gatehouse') has been shifted closer to the County Road 601 entrance where ore trucks will enter/exit to ensure safety and control of the property from this access point.

Finally, the water treatment plant has been relocated to the North side of the HTDF. Initially this facility was located near the mill services building, but with the acquisition of property along the HTDF, KEMC is able to optimize the mill design by locating the WTP to the North. The WTP intake and discharge piping will be in close proximity to the building. This allows a substantial reduction in WTP effluent pipeline length, also reducing maintenance and opportunity for pipeline failure. Please note that the overall footprint of the building slated for construction has not changed from the original plan, but the WTP conveyance (piping) footprint has substantially decreased.

We believe that these changes will further improve the environmental performance of the permitted surface facilities, which is our continued goal and one that we know is shared by your department. KEMC appreciates your time and consideration of this amendment request. Should you have questions please do not hesitate to contact me at 906-486-1257.

Sincerely,



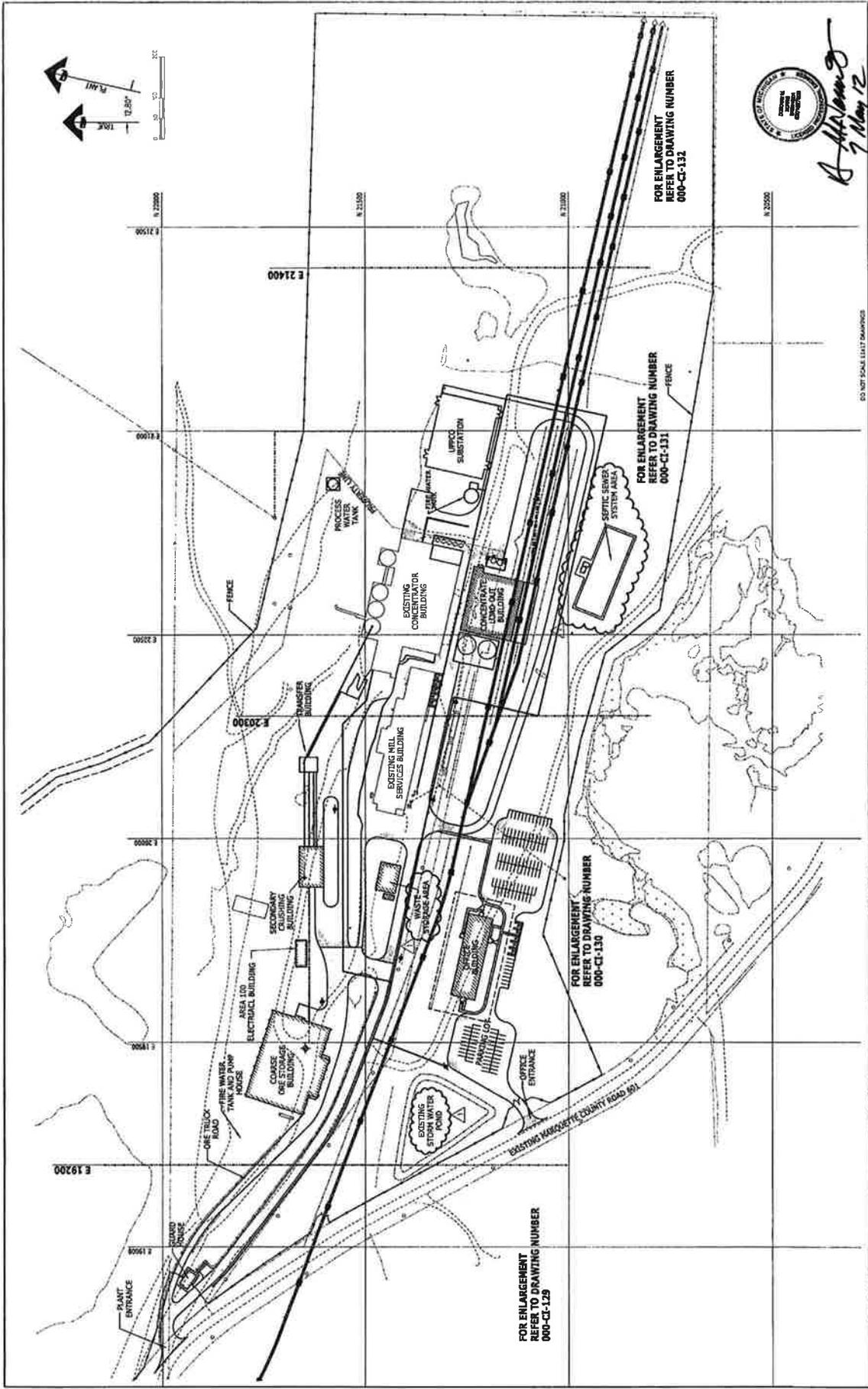
Kristen Mariuzza, P.E.
Environmental & Permitting Manager

cc: Dennis Donohue, WNJ
Joe Derocha, Humboldt Township

Attachments (2)

ATTACHMENT 1

ATTACHMENT 2



FLUOR.
100 Broad Street, Suite 1000
Portland, ME 04102
www.fluor.com

KENNEBECOTT EAGLE MINERALS
EAGLE DEVELOPMENT PROJECT
GENERAL CIVIL
OVERALL SITE PLAN

DO NOT SCALE UNIT DIMENSIONS

NO.	DATE	BY	CHKD.	APP'D.	DESCRIPTION
1	19/04/12	AS	MS	MS	FOR ENLARGEMENT REFER TO DRAWING NUMBER 000-CI-122
2	19/04/12	AS	MS	MS	FOR ENLARGEMENT REFER TO DRAWING NUMBER 000-CI-131
3	19/04/12	AS	MS	MS	FOR ENLARGEMENT REFER TO DRAWING NUMBER 000-CI-130
4	19/04/12	AS	MS	MS	FOR ENLARGEMENT REFER TO DRAWING NUMBER 000-CI-129

SCALE: 1"=100'
 DESIGNED BY: AS
 CHECKED BY: MS
 DRAWN BY: JC
 PROJECT NO.: 000-CI-122
 SHEET NO.: 1 OF 4

DATE: 19/04/12
 DRAWN BY: AS
 CHECKED BY: MS
 APPROVED BY: MS

FOR ENLARGEMENT REFER TO DRAWING NUMBER 000-CI-129

FOR ENLARGEMENT REFER TO DRAWING NUMBER 000-CI-130

FOR ENLARGEMENT REFER TO DRAWING NUMBER 000-CI-131

FOR ENLARGEMENT REFER TO DRAWING NUMBER 000-CI-132

PLANT ENTRANCE

CLEARING POND

FIRE TRUCK ROAD

FIRE WATER TANK AND PUMP HOUSE

AREA 100 ELECTRICAL BUILDING

CHARGE USE BUILDING

REFRACTORY BUILDING

EXISTING MILL SERVICES BUILDING

TRANSFER BUILDING

EXISTING CONCENTRATOR BUILDING

CONCENTRATE BUILDING

LEACH BUILDING

UPRCO SUBSTATION

PROCESS WATER TANK

EXISTING STAGING WATER POND

OFFICE ENTRANCE

EXISTING WATER POND

EXISTING SEWER SYSTEM AREA

FENCE

E 19200 E 20000 E 20800 E 21400

N 20500 N 21000 N 21500 N 22000 N 22500

PLANT ENTRANCE

SCALE: 1"=100'

AS
7 May 12