DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT
PERMIT

ISSUED TO:

Kennecott Eagle Minerals Company
Attn: Jonathan C Cherry
504 Spruce Street
Ishpeming, MI 49849

Permit No.	08-52-0104-P
Issued	February 9, 2010
Extended	
Revised	
Expires	February 9, 2015

This permit is being issued by the Michigan Department of Natural Resources and Environment (MDNRE) under the provisions of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA) and specifically:

- ☒ **Part 301 Inland Lakes and Streams**
- ☐ **Part 315 Dam Safety**
- ☐ **Part 325 Great Lakes Submerged Lands**
- ☐ **Part 323 Shorelands Protection and Management**
- ☒ **Part 303 Wetlands Protection**
- ☐ **Part 353 Sand Dune Protection and Management**
- ☐ **Part 31 Floodplain/Water Resources Protection**

Permission is hereby granted, based on permittee assurance of adherence to State requirements and permit conditions to:

Permitted Activity:

Place fill in the Humbolt pit, construct two water intake structures, and discharge treated effluent to wetland for the purpose of recommissioning the Humboldt Tailings Disposal Facility to process copper and nickel ore. A total of approximately 2.4 million cubic yards of tailings will be placed on the bottom of the 67 acre Humbolt pit and will settle into a layer measuring a maximum thickness of approximately 75 feet. Tailings placement will begin at the north end of the pit and proceed southward in three phases. The tailings will be deposited via a slurry mixture to an area measuring approximately 2,440 feet long and 501 feet wide. Water for operations will be provided through two intake pipes, 4 and 8 inches diameter respectively, placed in the pit. This authorization is contingent upon strict compliance with your NPDES permit and Part 632 permit. All work shall be done according to project plans and permit conditions on file with the Land and Water Management Division, UP District Office.

Water Course Affected: Humboldt Tailings Pond
Property Location: Marquette **County,** Humboldt Township, **Section** 2 11
Town/Range 47N, 29W **Property Tax No.** 52-06-211-001-20

Authority granted by this permit is subject to the following limitations:

A. Initiation of any work on the permitted project confirms the permittee's acceptance and agreement to comply with all terms and conditions of this permit.
B. The permittee in exercising the authority granted by this permit shall not cause unlawful pollution as defined by Part 31, Floodplain/Water Resources Protection of the NREPA.
C. This permit shall be kept at the site of the work and available for inspection at all times during the duration of the project or until its date of expiration.
D. All work shall be completed in accordance with the plans and the specifications submitted with the application and/or plans and specifications attached hereto.
E. No attempt shall be made by the permittee to forbid the full and free use by the public of public waters at or adjacent to the structure or work approved herein.
F. It is made a requirement of this permit that the permittee give notice to public utilities in accordance with Act 53 of the Public Act of 1974 and comply with each of the requirements of that act.
G. This permit does not convey property rights in either real estate or material, nor does it authorize any injury to private property or invasion of public or private rights, nor does it waive the necessity of seeking federal assent, all local permits or complying with other state statutes.
H. This permit does not prejudice or limit the right of a riparian owner or other person to institute proceedings in any circuit court of this state when necessary to protect his rights.
I. Permittee shall notify the MDNRE within one week after the completion of the activity authorized by this permit, by completing and forwarding the attached, preaddressed post card to the office addressed thereon.
J. This permit shall not be assigned or transferred without the written approval of the MDNRE.

K. Failure to comply with conditions of this permit may subject the permittee to revocation of permit and criminal and/or civil action as cited by the specific State Act, Federal Act and/or Rule under which this permit is granted.

L. Work to be done under authority of this permit is further subject to the following special instructions and specifications:

1. All work shall be completed in accordance with plans submitted with application number 08-52-0104-P submitted on December 22, 2008 including all revisions. Said plans are kept on file at the MDNRE's Land and Water Management Division, Gwinn Office.

2. Prior to initiating construction, authorized by this permit, the permittee is required to provide a copy of the permit to the contractor(s) for review.

3. The property owner, contractor(s), **and any agent involved in exercising this permit** are held responsible to ensure the project is constructed in accordance with all drawings and specifications contained in this permit.

4. The contractor is required to provide a copy of the permit to all subcontractors doing work authorized by this permit.

5. Notification shall be made to the MDNRE's Land and Water Management Division, five days prior to starting the project. Please notify Mike Smolinski at 906-346-8562 or smolinskim@michigan.com.

6. Dredging is not authorized by this permit.

7. In issuing this permit, the MDNRE has relied on the information and data that the permittee has provided in connection with the permit application. If, subsequent to the issuance of this permit, such information and data prove to be false, incomplete, or inaccurate, the MDNRE may modify, revoke, or suspend the permit, in whole or in part, in accordance with the new information.

8. The permittee shall indemnify and hold harmless the State of Michigan and its departments, agencies, officials, employees, agents and representatives for any and all claims or causes of action arising from acts or omissions of the permittee, or employees, agents, or representatives of the permittee, undertaken in connection with this permit. This permit shall not be construed as an indemnity by the State of Michigan for the benefit of the permittee or any other person.

9. The authority to conduct the activity as authorized by this permit is granted solely under the provisions of the governing act as identified above. This permit does not convey, provide, or otherwise imply approval of any other governing act, ordinance, or regulation, nor does it waive the permittee's obligation to acquire any local, county, state or federal approval or authorization, necessary to conduct the activity.

10. Noncompliance with these terms and conditions, and/or the initiation of other regulated activities not specifically authorized by this permit shall be cause for the modification, suspension, or revocation of this permit, in whole or in part. Further, the MDNRE may initiate criminal and/or civil proceedings as may be deemed necessary to correct project deficiencies, protect natural resource values, and secure compliance with statutes.

Rebecca A. Humphries, Director
Michigan Department of Natural Resources and Environment

By _____
Mike Smolinski
Land and Water Management Division

cc: Marquette CEA
Humboldt Township Clerk
Ms. Sue Elston, USEPA
Ms. Melanie Haveman, USEPA
Mr. Jim Sygo, DNRE, Lansing
Ms. Liz Brown, DNRE, Lansing

Please provide the name, address, and telephone number of the person responsible for compliance of these permit conditions, and who has the authority to stop work on the project, whom the MDNRE shall contact if necessary:

Name:
Print VICTORIA PEACEY

Sign [signature]

Date 2/9/2010

Address 504 SPRUCE ST.
ISHPEMING, MI 49849

Telephone Number 906-486-1257

FAX Number 906-486-1053

13. If any change or deviation from the permitted activity becomes necessary, the permittee shall request, in writing, a revision of the permitted activity and/or mitigation plan from the MDNRE. Such revision requests shall include complete documentation supporting the modification and revised plans detailing the proposed modification. Proposed modifications must be approved, in writing, by the MDNRE prior to being implemented.

14. This permit may be transferred to another person upon written approval of the MDNRE. The permittee must submit a written request to the MDNRE to transfer the permit to the new owner. The new owner must also submit a written request to accept transfer of the permit. The new owner must agree, in writing, to accept all conditions of the permit. A single letter signed by both parties which includes all the above information may be provided to the MDNRE. The MDNRE will review the request and if approved, will provide written notification to the new owner.

15. Noncompliance with these terms and conditions, and/or the initiation of other regulated activities not specifically authorized by this permit shall be cause for the modification, suspension, or revocation of this permit, in whole or in part. Further, the MDNRE may initiate criminal and/or civil proceedings as may be deemed necessary to correct project deficiencies, protect natural resource values, and secure compliance with statutes.

This permit shall become effective on the date of the MDNRE representative's signature. Upon signing by the permittee named herein, this permit must be returned to the MDNRE's Land and Water Management Division, Gwinn Office for final execution.

Permittee hereby accepts and agrees to comply with the terms and conditions of this permit.

X [signature] 2/9/10
Permittee Date

X Jonathan C. Cherry General Manager
Printed Name and Title of Permittee