

**PROPOSED DECISION  
APPLICATION FOR MINING PERMIT  
AQUILA BACK FORTY PROJECT  
Michigan Department of Environmental Quality**

**Proposed Decision**

The Michigan Department of Environmental Quality (DEQ) is issuing a proposed decision to grant a Mining Permit to Aquila Resources (Aquila) for the proposed Back Forty Project, Lake Township, Menominee County, Michigan. This proposed decision is issued under the provisions of Section 63205 (MCL 324 63205) of Part 632, Nonferrous Metallic Mineral Mining, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA).

The DEQ has conducted a detailed and comprehensive review and evaluation of the permit application and supplemental information submitted by Aquila Resources, and of all public comments it has received thus far. Based on the review of all available information, the DEQ has determined that the application meets the requirements for approval under Part 632.

This is a preliminary decision. The DEQ will hold a public hearing at Stephenson High School gymnasium, W526 Division Street, Stephenson, Michigan 49887 on October 6, 2016, from 6:00 P.M. to 10:00 P.M. CST to accept public comment on the proposed decision.

The DEQ will accept written comments on the proposed decision to grant a Mining Permit until 5:00 P.M. EDT on November 3, 2016. Part 632 requires the DEQ to then issue a final decision on the Mining Permit on or before December 1, 2016; however, the final decision date may be extended if the DEQ requires additional information from Aquila Resources to address issues raised by public comments.

**Application Review Process**

Aquila Resources submitted an application for a Mining Permit on November 11, 2016. The DEQ determined the application was administratively complete (i.e., all of the required documents were submitted) on November 14, 2016.

The DEQ formed a Mining Team (MT) to review the application. The MT consisted of technical experts from the DEQ and Department of Natural Resources (DNR). Collectively, the MT members have the requisite background and expertise in geochemistry of ores and sulfide minerals, water chemistry, containment and monitoring of waste materials, air and water monitoring, financial assurance, soil erosion, mine reclamation, fish and wildlife habitat and protection, endangered species, wetlands, and other pertinent areas.

The DEQ held a public meeting on the application on January 5, 2016. The DEQ received public comments at the public meeting, and accepted written comments

throughout the review process. The MT submitted a request to Aquila for additional information regarding the application on May 9, 2016. The request incorporated pertinent public comments that had been received as well as questions arising from the MT 's independent evaluation. Part 632 required the DEQ to make a proposed decision by March 15, 2016, taking into account a 14 day extension of the comment period as requested by the public. However, Aquila agreed to extend the time line for a proposed decision three times to allow time for the DEQ to coordinate the technical reviews of all NREPA permit applications for the project, complete the review of supplemental information to the Mine Permit Application submitted by Aquila on June 15, 2016, and coordinate a consolidated hearing for all NREPA permit decisions.

The MT conducted a detailed and comprehensive review and evaluation of the initial permit application and supplemental information provided by Aquila, and of all public comments submitted. The MT found that the application meets the requirements for a permit to be issued.

All information related to the application and reviews has been posted on the DEQ internet site. Paper copies of the information were made available for review at the Lake Township Office, Menominee County Library, and DEQ offices in Gwinn and Lansing.

Based on the recommendations of the MT and on all other relevant reports, documents, and comments received thus far, the DEQ has determined that Aquila qualifies for a permit under the terms of Part 632. Section 63205(10) of Part 632 directs the DEQ to issue a mining permit if the permit application meets the requirements of the law and the proposed mining operation will not pollute, impair, or destroy the air, water, or other natural resources or the public trust in those resources, in accordance with Part 17, Michigan Environmental Protection Act, of the NREPA.