



Kennecott Eagle Minerals

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Mr. Joe Maki
Michigan Department of Natural Resources and Environment
420 5th Street
Gwinn, MI 49841

Dear Mr. Maki:

Subject: Kennecott Eagle Surface Facilities

In accordance with established procedures within Rio Tinto, and industry best practice, KEMC has continued to evaluate its mine plan for the Eagle site to optimize mine 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 sizes of surface improvements to the site may be necessary once designs and operational needs are finalized. The information provided with this letter describes modifications to the surface facilities resulting from this process.

Importantly, none of these modifications will change the overall footprint of the main surface operation – the surface facilities will be built within the existing fence line. Further these changes will not require any changes to the specific conditions of Mine Permit No. MP012007 itself. Also, the discharge will consist of the same quantity, effluent characterization, and treatment process as previously submitted. As such, none of these surface modifications would require a significant change to the Permit or the mine plan incorporated into the Permit.

The original locations of the surface facilities are shown on Figure 4-2 of the mining plan. Attached is an updated surface facilities map depicting certain improvements that have been resized and/or relocated in light of the evaluation process and final design needs noted above. Of particular note is a change in location and bigger building housing the waste water treatment plant (the plant itself has not changed), change in location and slightly deeper contact water basins (creating even greater holding capacity) and a change in the location and increase in the size of the TDRSA to reduce the slope of the containment pad underlying the development rock.

In addition, as a result of the availability of the Humboldt Mill, rock crushing facilities have been eliminated from the Eagle site, decreasing the number of buildings on the site. Note also that the location of certain ancillary facilities on the updated figure are indentified as tentative, and subject to possible changes once the design for these facilities are finalized.

We believe that these modest 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.

Should you have questions please don't hesitate to contact me at 906-486-1257.

Sincerely,

A handwritten signature in blue ink that reads "Vicky Peacey". The signature is written in a cursive, flowing style.

Vicky Peacey
HSE Manager