

March 24, 2006

FOR MORE INFORMATION, CONTACT:

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DEQ Environmental Management Bureau
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To: *Western News, Mountanian*

RE: Legal Notice on Reclamation Bond Increase for Genesis, Inc.'s Troy Mine

Dear Editors:

Please publish the following legal notice in the next issue of your newspaper:

LEGAL NOTICE

The Department of Environmental Quality (DEQ) and the United States Forest Service, Kootenai National Forest (USFS) have conducted a five-year comprehensive bond review of Genesis Inc.'s (Genesis) Troy Mine bonding requirements for Operating Permit No. 00093 pursuant to Section 82-4-338(3), MCA. The Troy Mine is currently permitted under Operating Permit 00093 from DEQ, which was issued in 1978.

The agencies do not believe that the current bonding level represents the costs of implementing the currently approved reclamation plan for the Troy Mine per the Metal Mine Reclamation Act (MMRA) and the rules adopted under the MMRA.

The Troy Mine is an underground copper and silver mine. It is on patented and USFS land 15 miles south and west of Troy, MT on Mt. Vernon in the Stanley Creek drainage in Lincoln County. DEQ currently holds reclamation and water treatment bonds totaling \$10,500,000. DEQ has determined as part of the bond review process that an increase in the bond is required to guarantee reclamation of the current disturbance at the site. DEQ has calculated a proposed bond determination of \$12,951,000 to cover reclamation costs.

Pursuant to the five-year bond review procedures set forth in Section 82-4-338(3), MCA, Genesis must have 60 days to negotiate a preliminary bond determination with the agencies. At the end of this period, DEQ is required to issue a preliminary bond determination. Genesis provided comments on the draft preliminary bond determination and the agencies have revised the draft bond amount

In addition to addressing the preliminary bond determination, Section 82-4-338(3), MCA, sets forth procedures for determining the final bond and for Genesis's posting of any bond increase. Section 82-4-338(3), MCA, requires DEQ to publish the preliminary bond determination in a newspaper of general circulation in the county in which the Troy mine is located and to issue a final bond determination within 30 days of publishing the proposed bond determination. Unless Genesis requests a hearing before the Board of Environmental Review (the Board), Section 82-4-338(3), MCA, requires Genesis to post bond in the amount of the final bond determination no later than 30 days after issuance of the final bond determination. DEQ is required to grant a 30-day extension of the deadline if Genesis demonstrates that, through the exercise of due diligence, it will not be able to post the bond within 30 days.

Finally, Section 82-4-338(3), MCA, requires that any request for a hearing specify the amount of the bond increase, if any, that Genesis considers appropriate, be filed within 30 days of the issuance of the final bond determination, and state the reasons why it considers the agencies' final bond determination excessive. As a condition precedent to any right to request a hearing, Section 82-4-338(3), MCA, requires Genesis to post bond with DEQ in the amount of the bond increase that it states is appropriate in the request for hearing or the amount that is one-half of the increase contained in the agencies' final bond determination, whichever is greater. If the Board determines that additional bond is necessary, Genesis would be required to post bond in the amount determined by the Board within 30 days of receipt of the Board's decision. DEQ may grant a reasonable extension of the deadline if Genesis demonstrates that, through the exercise of reasonable diligence it would not be able to post the bond within 30 days. If Genesis fails to post bond in accordance with these procedures, the operating permit is suspended by operation of law and Genesis would be required to immediately cease mining until the bond is posted and approved by the agencies.

A copy of the bond calculations that form the basis for the proposed bond determination can be obtained by contacting the Montana Department of Environmental Quality, Environmental Management Bureau, P. O. Box 200901, 1520 E. Sixth Ave., Helena, MT 59620-0901, or by calling Patrick Plantenberg at (406) 444-4960 or e-mail at pplantenberg@mt.gov. A final bond determination will be issued within 30 days of this publication.

Please mail an affidavit of publication, an original tear sheet for run date, and your invoice (refer to EMB5036 125), to:

Department of Environmental Quality
Environmental Management Bureau
1520 East 6th Avenue
PO Box 200901
Helena MT 59620-0901

Sincerely,

Patrick Plantenberg
Operating Permit Section Supervisor
Environmental Management Bureau

cc: Warren McCullough, DEQ
John McKay, KNF

file: 00093.37 and .10