McLaren Tailings Abandoned Mine Site

RECLAMATION ACTIONS
THE GOOD THE BAD AND THE UGLY

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Mill Tailings
**Types of Wastes**

Approximately 237,000 cubic yards of mill tailings, waste rock, and contaminated sediments

<table>
<thead>
<tr>
<th>Waste</th>
<th>Cubic Yards</th>
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</thead>
<tbody>
<tr>
<td>Tailings</td>
<td>196,494</td>
</tr>
<tr>
<td>Waste Rock</td>
<td>23,296</td>
</tr>
<tr>
<td>Sediments</td>
<td>17,198</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>236,988</strong></td>
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</tbody>
</table>
Repository Capacity

- Repository design capacity of 196,000 cubic yards limited by:
  - property boundaries
  - topography and bedrock outcrops
  - Soda Butte Creek slope: seismic analysis
  - adequate separation from groundwater
  - friction angle on liner

- Calculated waste volume (no swell) of 237,000 cubic yards
Proposal to Haul Excess Tailings

• Haul 68,700 tons of lime stabilized tailings for processing at Barrick Golden Sunlight Mine in 2011.
• Mine located in Whitehall, MT
• Cooke City to Whitehall is a 315 mile one way trip using Chief Joseph Highway
• Anticipated break even at $1,368 gold price
Hauling and Reprocessing

Advantages
- Reduction of long-term liabilities associated with repository stability during earthquakes, and metals leaching to groundwater
- Removal of significant quantity of mine wastes from boundary of Yellowstone National Park
- Reduction in repository visibility
- Economical at current gold prices
- Additional job & tax creation associated with hauling
- Stakeholder support

Disadvantages
- Traffic risk associated with offsite hauling of tailings
- Increased highway wear
- Uncertainty in future gold prices
- Gold economics/recovery outside of DEQ project experience
- Relationship with DEQ-regulated facility
- Liability concerns
2011 Hauling Summary

- Addresses excess waste issue
- Reduction of liabilities associated with repository stability
- Removal of significant quantity of mine wastes from boundary of Yellowstone National Park
- Subsidized by recovered gold value
- Additional job and tax creation associated with hauling activity
Potential Haul Routes

- Yellowstone National Park to Gardiner and Livingston, MT
- US 212 : Beartooth Highway to Red Lodge and Laurel, MT
- US 212 to Chief Joseph Highway, to Bridger, Laurel and Whitehall via I90.
Beartooth Highway Restrictions

VEHICLES OVER 40 FEET LONG NOT ADVISED ON US 212 EAST
Existing Road Use

October 14, 2010
Haul Truck Configuration

October 15, 2010
Proposed 2011 Haul Schedule

- 2011 start date coordinated with WYDOT
- Approximately 24 trucks per day, with 30 minute spacing
- Total of approximately 1700 loaded trips
- Monday through Friday hauling
- No weekend or holiday hauling
- Concludes in September 2011
New Piezometer PZ-9
Unstabilized Tailings
Lime stabilized tailings
After Construction Dewatering

Static Water Level

Photo taken August 15, 2012
REPOSITORY CHARACTERIZATION
30,000 oz/GOLD       100,000 oz/SILVER