



Reclamation and Financial Assurance

What is reclamation?

As it relates to mining, reclamation is the restoration of an area where mining has occurred. The majority of reclamation takes place after mining has stopped, although some reclamation occurs during operations. Site reclamation is required by law with the goal of leaving the area stable, free of hazards, with hydrologic impacts minimized, in an environmentally acceptable condition, and maintenance-free.

As part of the proposed NorthMet Mining Project and Land Exchange, PolyMet would perform reclamation both during mine operations and after closure. These activities would include, among others:

- demolishing buildings and removing equipment;
- capturing and treating affected water using mechanical and/or non-mechanical methods for as long as needed;
- restoring existing wetlands or establishing new wetlands, as appropriate;
- reclaiming stockpiles including placing waste rock with a higher potential for harmful chemical reactions back into the mine pit and submerging it underwater to minimize the surface stockpile areas and potential pollution;
- constructing various cover systems to minimize exposure and water seepage into the waste rock stockpiles, tailings basin, and hydrometallurgical residue facility;
- managing stormwater to minimize erosion and prevent pollution from flowing off site;
- planting vegetation at disturbed areas to re-establish habitat; and
- monitoring and maintaining surrounding bodies of water, wetlands, vegetation, and other features of the environment.

Reclamation activities would be reported and reviewed on an annual basis under the conditions of permits issued by state and federal agencies. Each annual review would include past and future activities and contingency reclamation plans if mine operations were to cease in the coming year. Reclamation activities would be funded by the permittee and guaranteed through financial assurance.

What is financial assurance?

Financial assurance is a requirement for the mine permittee to set aside money to ensure that reclamation and/or corrective actions would be completed if the company were to fail for any reason to meet its permit obligations in full.

Financial assurance can be provided in various forms and mechanisms, and under Minnesota rules must meet the following criteria: be sufficient to cover costs; payable and available to the Minnesota Department of Natural Resources (MDNR) when needed; enforceable under law; and not dischargeable through bankruptcy.

Financial assurance estimates would be evaluated and approved by the MDNR and reviewed annually to determine any necessary adjustments, which means that financial assurance requirements typically vary over time. Financial assurance must be approved and in place before mining can begin, including provisions for existing liabilities at the plant site of PolyMet's proposed NorthMet project. PolyMet's preliminary cost estimate for reclamation and post-closure activities for the proposed NorthMet project would be up to approximately \$200 million for reclamation activities, and an additional \$3.5 million to \$6 million a year for post-closure monitoring and maintenance.

The detailed terms and amounts of financial assurance would be evaluated during the permitting process for the MDNR Permit to Mine. Financial assurance (provided by PolyMet) would ensure that environmental management, including planned water treatment needs, would occur for as long as needed to meet environmental standards.

For more information about reclamation and financial assurance under the NorthMet Mining Project and Land Exchange, see the Executive Summary, Chapter 3 (Proposed Action and Alternatives), and the various resource-specific sections of the Final EIS. Also, refer to additional Fact Sheets about the NorthMet Mining Project and Land Exchange Final EIS:

- 1. Project and Land Exchange Overview**
- 2. What is the Environmental Review Process?**
- 3. What's Changed since the Draft EIS?**
- 4. What's Changed since the Supplemental Draft EIS?**
- 5. Supplemental Draft EIS Comment Response Process**
- 6. Effective Commenting on the Final EIS**
- 7. A Guide to the Final EIS Document**
- 8. Air Quality**
- 9. Water Quantity**
- 10. Wetlands**
- 11. Water Quality**
- 12. Wild Rice**
- 13. Mercury**
- 14. Threatened & Endangered Species**
- 15. Cultural Resources**
- 16. Land Exchange**
- 17. Reclamation & Financial Assurance**
- 18. Cumulative Effects**
- 19. Tailings Basin Stability**

- 20. Water Modeling**
- 21. Northward Flowpath**
- 22. Duration of Treatment & Financial Assurance**
- 23. Human Health**