



Minnesota Department of Natural Resources (DNR)

Minerals Exploration Plan on State Nonferrous Metallic Minerals Leases

*Kennecott Exploration Company Exploration Plan
Submitted on 11/29/2016*

DNR Summary Report and Associated Map

An exploration plan was submitted by Kennecott Exploration Company ("Kennecott") on November 29th, 2016 and summarized here by the DNR on December 6, 2016. *The map on page 3 was slightly updated on January 12, 2017 due to the explorer moving the drill pad site 1200 feet to the south in section 10.* The locations of proposed exploration activities by this state nonferrous metallic minerals lessee are shown in a standard format and legend. This report and associated maps were created by the Minnesota DNR, Division of Lands and Minerals.

This report and associated map are posted on the DNR's exploration plan website at:
http://www.dnr.state.mn.us/lands_minerals/metallic_nf/regulations.html

This summary report and associated map should be distributed as a complete document due to the relative nature of the content.

Minerals Exploration Plan on State Nonferrous Metallic Mineral Leases

Kennecott Exploration Company Exploration Plan Summarized by the Minnesota DNR

December 6, 2016

Narrative: Kennecott Exploration Company (explorer) submitted an Exploration Plan to the DNR on November 29, 2016. The exploration activities are proposed on seven state nonferrous metallic mineral leases in Aitkin County near the city of Tamarack. The company proposes to drill approximately 8 to 20 exploratory borings and in addition conduct down-hole geophysical surveys in the exploratory borings. The explorer will use existing trails and some new trails to access the exploratory boring sites. The explorer has agreements or leases for the surface and mineral ownership on the parcels involved. Kennecott Exploration Company has been exploring for copper, nickel and platinum group elements in this area since the year 2000.

State Minerals Lease Numbers: MM-9765-P, MM-9766-P, MM-10004-N, MM-9849-N, MM-10008-N, MM-10010-N, and MM-10002-N.

Types of exploration activity: Exploratory Borings and Down-Hole Geophysical Surveys

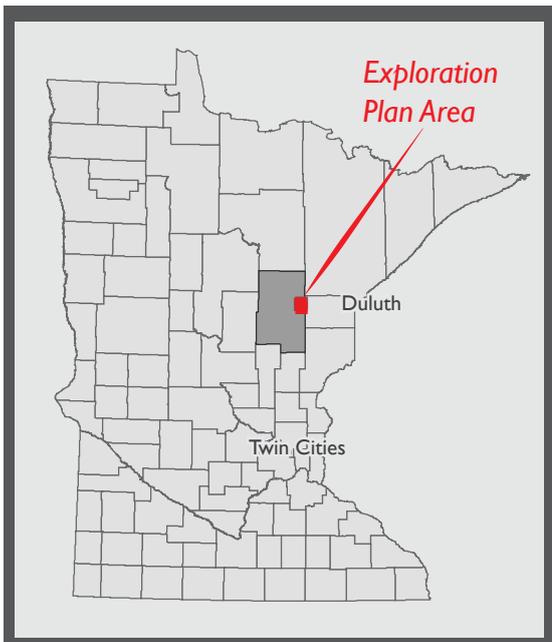
Expected time period of activity: December 19, 2016 - April 1, 2017

Plans to access exploration sites: The explorer will use existing access trails and also develop some new trails as shown on the following map.

Surface Ownership: The explorer has agreements or leases for the surface and mineral ownership on the parcels involved.

Explorer contact: Brian Goldner, Kennecott Exploration Company, (218) 768-3292 or brian.goldner@riotinto.com

Locator map for exploration plan activity



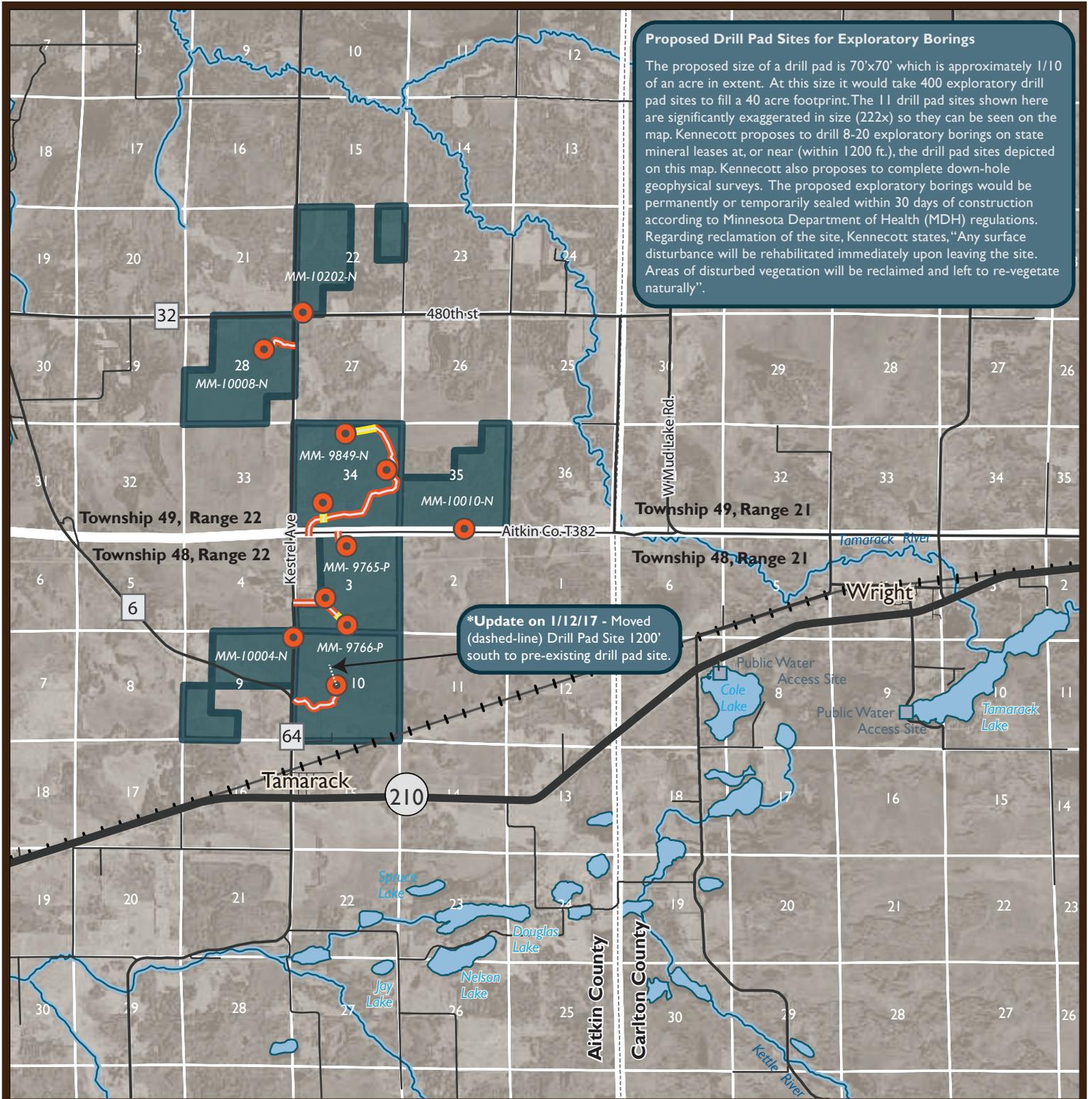
Exploration Plan Area

This small scale map displays the general location of the exploration plan relative to other cities in northern Minnesota. The following map provides more details on the locations of the proposed exploratory bore holes, active state mineral leases involved, public land survey locations, cities, water bodies, special features, and excluded lands.

See page 3 for a detailed map

Maps and Data Disclaimer

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Proposed Drill Pad Sites for Exploratory Borings

The proposed size of a drill pad is 70'x70' which is approximately 1/10 of an acre in extent. At this size it would take 400 exploratory drill pad sites to fill a 40 acre footprint. The 11 drill pad sites shown here are significantly exaggerated in size (222x) so they can be seen on the map. Kennecott proposes to drill 8-20 exploratory borings on state mineral leases at, or near (within 1200 ft.), the drill pad sites depicted on this map. Kennecott also proposes to complete down-hole geophysical surveys. The proposed exploratory borings would be permanently or temporarily sealed within 30 days of construction according to Minnesota Department of Health (MDH) regulations. Regarding reclamation of the site, Kennecott states, "Any surface disturbance will be rehabilitated immediately upon leaving the site. Areas of disturbed vegetation will be reclaimed and left to re-vegetate naturally".

***Update on 1/12/17 - Moved (dashed-line) Drill Pad Site I200 south to pre-existing drill pad site.**

DNR Summary Overview Map of Exploration Plan Submitted by Kennecott Exploration on November 29, 2016

Narrative: Kennecott Exploration Company (explorer) submitted an Exploration Plan to the DNR on November 29, 2016. The exploration activities are proposed on seven state nonferrous metallic mineral leases in Aitkin County near the city of Tamarack. The company proposes to drill approximately 8 to 20 exploratory borings and in addition conduct down-hole geophysical surveys in the exploratory borings. The explorer will use existing trails and some new trails to access the exploratory boring sites. The explorer has agreements or leases for the surface and mineral ownership on the parcels involved. Kennecott Exploration Company has been exploring for copper, nickel and platinum group elements in this area since the year 2000.

Surface Ownership: The explorer has agreements or leases for the surface and mineral ownership on the parcels involved.

Access: The explorer will use existing access trails and also develop some new trails as shown on the following map.

- Proposed Drill Pad Sites for Exploratory Borings (*Updated on 1/12/17)
 - Existing Access Trails
 - New Access Trails (visible at this scale)
 - Active state nonferrous metallic minerals lease with proposed exploration activity in this plan (labeled by lease number).
 - The beds of significant rivers and water bodies in DNR's Public Waters Inventory are excluded from exploration activity (outside exploration activity)
 - Public Water Access Sites are Special Features (outside exploration activity)
- Natural Heritage Features and Historic & Archaeological Sites are not shown because they are non-public data.*

