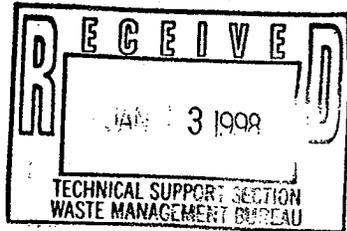


Flambeau Mining Company  
N4100 Highway 27  
Ladysmith, WI 54848  
(715) 532-6690  
FAX (715) 532-6885

January 8, 1998



Kennecott  
Minerals

Mr. Lawrence J. Lynch  
Mine Reclamation Unit  
Bureau of Waste Management  
Wisconsin Department of Natural Resources  
101 S. Webster St., GEF II  
Madison, WI 53707

Dear Mr. Lynch:

The Flambeau Mining Company (Flambeau) is providing notice of proposed modifications to the Reclamation Plan in accordance with Conditions 2. and 3. of Part 3 (Reclamation Plan Approval) of Flambeau's Mine Permit (IH-89-14) and NR 132.13(3)(a), Wisconsin Administrative Code. Flambeau contends that the modifications are not substantial and do not change the original intent of the approved Reclamation Plan (Section 5, Mine Permit Application, December 1989) which was to provide for an ecologically stable site to be used for non-consumptive, passive recreational area which would provide wildlife habitat. The Reclamation Plan had also suggested that a portion of the mine site may be retained as an industrial facility for the local communities. Following are the proposed changes to the Flambeau Reclamation Plan.

- **Land Use and Reclaimed Area.** Approximately 32 acres of facilities is proposed to be retained for reuse by the community or by Flambeau. As a result, approximately 149 acres would be reclaimed for wildlife habitat and passive recreation. Following are descriptions of the facilities which are proposed to be retained for re-use and are included in a lease agreement with the Ladysmith Community Industrial Development Corporation (LCIDC). (1) An approximate 28-acre outlot located west of State Trunk Highway (STH) 27 on the southern portion of the mine site is proposed to be retained as an industrial facility for the LCIDC. Ancillary facilities would be retained which would include the administration building, maintenance shop foundation, wastewater treatment plant (WWTP), fire water tank, potable water well, utilities, railroad spur not underlain with HDPE (east and west of STH 27), access road, culverts and piping draining storm water to the former Surge Pond, former Surge Pond liner as part of a storm water biofilter system, underground piping associated with WWTP, culverts associated with intermittent Steam C, and security fencing. If the LCIDC does not find a new use for the 28-acre industrial outlot by December 31, 2004, Flambeau will remove the aboveground ancillary facilities and reclaim the 28-acre outlot for passive recreation and wildlife habitat. (2) The H&H building which existed prior

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to mine development is proposed to be left in place for storing equipment for use in long-term site maintenance and monitoring. The building will be surrounded by security fencing. (3) The existing visitor center parking lot is proposed to be left in-place for use by tourists and the local community. The intent is to ultimately develop hiking and skiing trails on the reclaimed mine site for public use. The visitor center parking lot would serve as a trail head.

- **Wetland Establishment.** The entire 8.5-acre wetland is proposed to be established in the northeast corner of the former mine site. The 1.0-acre wetland testplot will be incorporated into the 8.5-acre wetland which will provide a more natural wetland habitat as opposed to retaining the wetland testplot as it was constructed. The northeast location for the wetland will provide an improved wetland hydrology. The 8.5-acre wetland will have minimal open water which will enhance the diversity of flora and fauna in the wetland system.
- **Intermittent Stream B.** The portion of Intermittent Stream B east of the former open pit is proposed to be directed to Intermittent Stream A. This portion of Intermittent Stream B would enhance the hydrology of the 8.5-acre wetland located in the northeast corner of the site. Additionally, the Intermittent Stream B outlet into the Flambeau River is proposed to be changed to the location of the former outfall 002. The former outfall 002 channel configuration will be retained which includes a flow control weir and riprapped channel. The proposed Intermittent Stream B outlet location will provide a stabilized environment for storm water flows as compared to the historic Intermittent Stream B channel which is vulnerable to erosion.
- **Monitoring Plan.** Monitoring of vegetation and wildlife will be performed prior to receipt of the Certificate of Completion. Adjustments in the success criteria are proposed which will result in technological improvements to the monitoring plan. These improvements will facilitate an evaluation of the status of the Flambeau mine site reclamation.
- **Diaphragm Wall.** The concrete diaphragm constructed as part of the open pit west wall is proposed to be left in place. This is consistent with the backfilling of materials which contacted waste rock and were part of the open pit construction. The top portion of the diaphragm wall will be covered sufficiently so as not to impact vegetation growth.

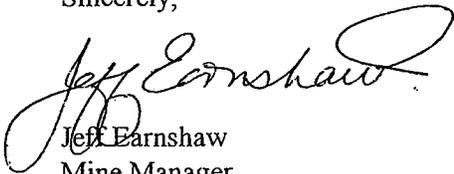
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The proposed modifications are consistent with the original intent of the approved MPA reclamation plan which is to reclaim the Flambeau Mine site to an environmentally stable site which meets or exceeds the criteria established in NR 132.08. If you have any questions regarding this letter, please contact me at (715) 532-6690.

Sincerely,



Jeff Earnshaw  
Mine Manager

cc: Al Christianson, City of Ladysmith  
Fred Fox, Kennecott Mineral Co.  
Jim Hutchison, Foth & Van Dyke  
Paul Kent, DeWitt, Ross & Stevens  
Ken Markart, WDNR  
Jana Murphy, Flambeau Mining Co.  
Thure Osuldsen, Rusk County  
Tom Portle, WDNR  
Tom Riegel, Town of Grant  
Melvin Spencer, Rusk Co. Zoning