

**From:** [Bradley Kucera](#)  
**To:** [Rule Making: Amy Johnson](#)  
**Subject:** Comments from review of Rulemaking IDAPA 20.03.02 Draft 8  
**Date:** Friday, July 24, 2020 1:03:51 PM  
**Attachments:** [image001.png](#)  
[07242020 TCM Comments on Idaho Mining Rulemaking Draft 8.pdf](#)

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Ms. Johnson,  
Please find attached TCM comment relative to our review of Draft 8.  
Thank you,

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July 24, 2020

Idaho Department of Lands  
Attn: Amy Johnson - Rulemaking  
300 N. 6<sup>th</sup> St., Suite 103  
Boise, ID 83702  
Re: Rulemaking for IDAPA 20.03.02 - Docket No. 20-0302-2001  
Draft No. 8, dated July 17, 2020

Dear Ms. Johnson:

Thompson Creek Mining Company appreciates the opportunity to provide the following comments to Draft No. 8 of the Idaho Department of Lands (“IDL”) proposed rules entitled Rules Governing Exploration, Surface Mining, and Closure of Cyanidation Facilities (the “Proposed Rules”).

Thompson Creek incorporates its general comments to Draft 7 of the Proposed Rules set forth in our letter dated July 9, 2020. Thompson Creek also continues to strongly support the general and specific comments to the Proposed Rules submitted by the Idaho Mining Association.

As currently drafted, section 20.03.02.120.01 of the Proposed Rule states:

**01. Submittal of Financial Assurance Before Mining.** Prior to beginning any mining on a mine panel covered by a reclamation plan, an operator shall submit to the director, on a Department form, financial assurance meeting the requirements of this rule. If financial assurance is not received by the Department within eighteen (18) months of reclamation plan approval and operations have not begun, the Department will notify the operator that financial assurance is required within twenty four (24) months of plan approval or the Department will cancel the reclamation plan without prejudice. An extension to the twenty-four (24) month period may be granted by the Department for reasonable cause given if the request is received prior to the end of that period. If financial assurance is not received by the Department and no request for an extension has been received, the plan will be cancelled. The operator must then resubmit the reclamation plan application and application fee to restart the approval process.

We understand IDL’s objectives in this provision are to ensure that appropriate financial assurance is in place before mining operations commence and that reclamation costs will be updated and maintained in an amount to fully protect the state. The provision, however, requires that financial assurance be posted even in the event that mining may not commence within the 18-24 month timeframe described in the Proposed Rules. From the state’s perspective, there is

no reason for financial assurance to be in place before the commencement of mining. Further, the Proposed Rules should recognize the substantial cost of financial assurance in addition to the many other “front-end” capital and operating costs incurred to construct and operate a mine.

To meet the reasonable objectives of both the state and the mining industry, we proposed the following revision of this section in its entirety:

**01. Submittal of Financial Assurance Before Mining.** Prior to beginning any mining on a mine panel covered by an approved reclamation plan, an operator shall submit to the director, on a Department form, financial assurance meeting the requirements of this rule. If mining is commenced more than eighteen (18) months after approval of the reclamation plan, operator shall prepare and submit to the Department a reevaluation of all reclamation costs in the plan within twenty-four (24) months following commencement of the approved operations. Within sixty (60) days of the Department’s approval of the revaluated reclamation plan and costs, the operator shall provide any additional financial assurance or the state shall release any excess financial assurance.

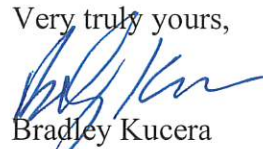
The financial assurance provided by the operator at the commencement of operations is for the entire life-of-mine surface disturbance. Therefore, this amount of financial assurance will be available to cover the surface disturbance in the first two years of operations, i.e., during the period of reevaluation of reclamation costs.

Thompson Creek is a good example of how this proposal would work. The next phase of mining operations at the Thompson Creek Mine is “Phase 8”; however, Phase 8 will not commence until market conditions for molybdenum improve. Thompson Creek’s reclamation plan for Phase 8 was approved by IDL in September 2019, and the financial assurance it would be required to post is \$82.3 million. Under the Proposed Rule, Thompson Creek would be required to post this very significant financial assurance for a phase of mining that may not commence for several years. Under the revised approach set forth above, Thompson Creek would post the full amount of financial assurance before it commenced operations. Thompson Creek would also be required to reevaluate its reclamation costs within 24 months notwithstanding the five-year review required by section 20.03.02.155.03,a. Using this approach, Thompson Creek would not be required post a very large financial assurance for a mine that is not operating, and the state would be fully protected by a bond of \$82.3 million to cover the 24-month reevaluation period.

Ms. Amy Johnson  
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Again, Thompson Creek appreciates the opportunity to submit these comments.

Very truly yours,



Bradley Kucera  
TCM Environmental Superintendent

cc: Jim Kopp - TCM Mine Manager  
Benjamin Davenport – Idaho Mining Association