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Minutes of the
Board of Minerals and Environment
Telephone Conference Call Meeting
523 East Capitol Avenue
Pierre, South Dakota

November 16, 2023
10:00 a.m. Central Time

CALL TO ORDER: The meeting was called to order by Vice Chairman Glenn Blumhardt. The roll was called, and a quorum was present.

The meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Laurie Schultz and Bob Ewing participated in-person. Glenn Blumhardt, Gregg Greenfield, Gary Haag, Doyle Karpen, Bob Morris and Jessica Peterson participated via conference call.

BOARD MEMBERS ABSENT: Rex Hagg.

OTHERS PRESENT: Mike Lees, Roberta Hudson, Eric Holm, Tom Cline and Bret Graves, DANR Minerals, Mining, and Superfund Program; Mark Tieszen and Jeff Burich, Homestake Mining Company; Max Main, attorney for Homestake Mining Company.

APPROVAL OF MINUTES FROM OCTOBER 19, 2023, MEETING: Motion by Karpen, seconded by Schultz, to approve the minutes from the October 19, 2023, Board of Minerals and Environment meeting. A roll call vote was taken, and the motion carried unanimously.

MINING ISSUES CONSENT CALENDAR: Prior to the meeting the board received a copy of the consent calendar, which is a table listing the department recommendations for releases of liability and surety, transfer of liability, and releases of liability. (See attachment)

Tom Cline, Minerals, Mining, and Superfund Program was available to answer questions. There were no questions from the board regarding the consent calendar.

Motion by Ewing, seconded by Karpen, to accept the department recommendations for releases of liability and surety, transfer of liability, and releases of liability. A roll call vote was taken, and the motion carried unanimously.

TRANSFER OF LARGE SCALE MINE PERMIT 445 FROM LAC MINERALS (USA), LLC TO HOMESTAKE MINING COMPANY: Bob Morris recused himself from participating in this matter.

Eric Holm reported that Homestake Mining Company of California has requested transfer of Large Scale Mine Permit 445 from LAC Minerals (USA), LLC. The general location of the permitted operation is approximately five miles northwest of Lead, SD.

Under SDCL 45-6B-47 any mine permit can be transferred from one operator to another with the successor operator assuming all reclamation liability.

The completed transfer application form was received on October 6, 2023. The \$100.00 transfer fee was received September 27, 2023. Replacement surety riders were received September 27, 2023, and October 18, 2023. The application was deemed complete on October 18, 2023,

The department recommendation to transfer the permit was prepared on October 20, 2023, and published in the Black Hills Pioneer on November 2 and 9, 2023. The Affidavit of Publication was received November 16, 2023. The recommendation was also posted on DANR's public notice web page.

No petitions to intervene or written comments were received.

Under SDCL 45-6B-47 the board cannot deny a mine permit transfer unless the operation is not or cannot be brought into compliance with all applicable federal, state or local laws, or the successor operator is in violation of state mining laws or mine permit conditions for any mining operation in the state. The current mine permit and Homestake Mining Company are both in compliance with all federal, state, and local laws and regulations. Homestake Mining Company also submitted a Certification of Applicant form and disclosed no violations.

The department recommended that the board approve the transfer of Large Scale Mine Permit 445 and liability from LAC Minerals (USA), LLC to Homestake Mining Company of California, accept the rider to reclamation Bond No. 09177704, Fidelity & Deposit Company of Maryland, changing the Principal from LAC Minerals (USA), LLC to Homestake Mining Company of California, and accept the rider to post closure Bond No. 09177703, Fidelity & Deposit Company of Maryland and Zurich American Insurance Company, changing the Principal from LAC Minerals (USA), LLC to Homestake Mining Company of California.

Motion by Ewing, seconded by Haag, to approve the transfer of Large Scale Mine Permit 445 and liability from LAC Minerals (USA), LLC to Homestake Mining Company of California. A roll call vote was taken, and the motion carried with Ewing, Greenfield, Haag, Karpen, Peterson, Schultz, and Blumhardt voting aye.

Motion by Ewing, seconded by Schultz, to accept the rider to reclamation Bond No. 09177704, Fidelity & Deposit Company of Maryland, changing the Principal from LAC Minerals (USA), LLC to Homestake Mining Company of California, and to accept the rider to post closure Bond No. 09177703, Fidelity & Deposit Company of Maryland and Zurich American Insurance Company, changing the Principal from LAC Minerals (USA), LLC to Homestake Mining Company of California. A roll call vote was taken, and the motion carried with Ewing, Greenfield, Haag, Karpen, Peterson, Schultz, and Blumhardt voting aye.

ACCEPTANCE OF POST CLOSURE FINANCIAL ASSURANCE FOR HOMESTAKE

MINING COMPANY'S MINE PERMIT NOS. 332 AND 456: Mr. Holm reported that during its October 19, 2023, meeting the board approved increasing Homestake Mining Company's post closure financial assurance for Permit Nos. 332 and 456 to \$80,201,732. To cover the increase, Homestake submitted a rider to Bond No. 82336310, Federal Insurance Company, increasing the post closure financial assurance amount from \$61,271,809 to \$80,201,732.

Federal Insurance Company is licensed in South Dakota and is on the US Department of Treasury list of approved surety companies. Ratings for the company from AM Best, Standard and Poor's, Moody's, and Fitch's are superior, very strong, high quality, and very high credit, respectively. Outlooks are stable except for a positive long term outlook from Moody's.

The department recommended that the board accept the rider to Bond No. 82336310, Federal Insurance Company, increasing the post closure financial assurance amount to \$80,201,732.

Motion by Karpen, seconded by Peterson, to accept the rider to Bond No. 82336310, Federal Insurance Company, increasing the post closure financial assurance amount to \$80,201,732. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD IN ACCORDANCE WITH SDCL 1-25-1: There were no comments from the public.

BOB EWING ORAL BIOGRAPHY: Mr. Ewing provided a personal biography.

NEXT MEETING: The next meeting is scheduled for January 18, 2024, and will be held via conference call.

ADJOURN: Motion by Karpen, seconded by Haag, to adjourn the meeting. A roll call vote was taken, and the motion carried unanimously.

Secretary, Board of Minerals and Environment

Date

Witness

Date

Consent Calendar
South Dakota Board of Minerals & Environment

November 16, 2023

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<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Release of Liability & Surety:</u>					
Thomas Maher Pierre, SD	00-699		\$2,000	First National Bank, Pierre	Release liability and \$2,000.
		699001	S1/2 Section 18; T110N-R77W, Hughes County		
<u>Transfer of Liability:</u>					
Dawson Construction Inc. Howard, SD	83-21		\$20,000	Sun Surety Insurance Company	Transfer liability.
		21019	NE1/4 Section 28; T105N-R55W, Miner County		
Transfer to:					
Shannon Hutterian Brethren Inc. Winfred, SD	23-1130		\$2,000	Rivers Edge Bank, Howard	
Rogers Construction Inc. Sturgis, SD	15-988		\$20,000	United Fire & Casualty Company	Transfer liability.
		988007	NW1/4 Section 22; T4N-R8E, Meade County		
Transfer to:					
Meade County Highway Department Sturgis, SD	83-113		EXEMPT	N/A	

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<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Transfer of Liability:</u>					
Lyman County Highway Department Kennebec, SD	83-215		EXEMPT	NA	Transfer liability.
		215005	NW1/4 Section 10; T103N-R74W, Lyman County		
Transfer to:					
Dave Hieb Chamberlain, SD	23-1129		\$1,000	First Dakota National Bank	
Roberts County Highway Department Sisseton, SD	83-23		EXEMPT	NA	Transfer liability.
		23005	NE1/4 Section 21; T124N-R52W, Roberts County		
Transfer to:					
Fisher Sand & Gravel Company Dickinson, ND	83-54		\$20,000	Liberty Mutual Insurance Company	

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License Holder	License No.	Site No.	Surety Amount	Surety Company or Bank	DANR Recommendation
Release of Liability:					
Fisher Sand & Gravel Company Dickinson, ND	83-54		\$20,000	Liberty Mutual Insurance Company	Release liability.
		54072	NE1/4 Section 7; T17N-R10E, Perkins County		
		54081	SE1/4 Section 14; T100N-R67W, Charles Mix County		
		54108	SE1/4 Section 29; T22N-R27E, Corson County		
DOT – Aberdeen Region Aberdeen, SD	83-10		EXEMPT	NA	Release liability.
		10007	NE1/4 Section 9; T122N-R73W, Edmunds County		
Edmunds County Highway Department Ipswich, SD	83-161		EXEMPT	NA	Release liability.
		161003	NE1/4 Section 9; T122N-R73W, Edmunds County		

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<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Release of Liability:</u>					
Lake County Highway Department Madison, SD	83-70		EXEMPT	NA	Release liability.
		70004	Lake County Sublots 2-3 NE1/4 Section 3; T105N-54W, Lake County		
Roberts County Highway Department Sisseton, SD	83-23		EXEMPT	NA	Release liability.
		23010	NE1/4 Section 11; T125N-R51W, Roberts County		
Walworth County Highway Department Selby, SD	83-7		EXEMPT	NA	Release liability.
		7025	SW1/4 Section 4; T121N-R77W, Walworth County		
		7027	W1/2 SE1/4 Section 10; T121N-R74W, Walworth County		

South Dakota Board of Minerals & Environment

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<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Transfer of Large Scale Mine Permit 445:</u>				
LAC Minerals (USA), LLC Central City, SD	445	Reclamation Bond \$61,100	Fidelity & Deposit Company of Maryland	Transfer Permit 445 and liability from LAC Minerals (USA), LLC to Homestake Mining Company of California. Accept rider to Bond No. 09177704, Fidelity & Deposit Company of Maryland, changing the Principal from LAC Minerals (USA) LLC to Homestake Mining Company of California.
		Post Closure Bond \$31,596,628	Fidelity & Deposit Company of Maryland Zurich American Insurance Company	Accept rider to Bond No. 09177703, Fidelity & Deposit Company of Maryland and Zurich American Insurance Company, changing the Principal from LAC Minerals (USA) LLC to Homestake Mining Company of California.
Transfer to: Homestake Mining Company of California Salt Lake City, UT		Sections 10, 11, 14, 15, 22, 23, 26, & 35; T5N-R2E, Lawrence County		

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<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Acceptance of Post Closure Financial Assurance:</u>				
Homestake Mining Company of California Salt Lake City, UT	332 & 456	\$61,271,809	Federal Insurance Company	Accept rider to Bond No. 82336310, Federal Insurance Company, increasing the Post Closure Financial Assurance amount to \$80,201,732.